

THE MADRAS LEGISLATIVE COUNCIL.

Saturday, the 22nd December 1956.

The House met in the Council Chamber, Fort St. George, at half-past two of the clock, Mr. Chairman (THE HON. DR. P. V. CHERIAN) in the Chair.

I.—QUESTIONS AND ANSWERS.

STARRED QUESTIONS.

House Building Schemes

* 122 Q.—SRI T. PURUSHOTHAM: Will the Hon. the Minister for Agriculture be pleased—

(i) to state the amounts allotted to this State under the First Five-year Plan for

(a) general house building schemes; and

(b) industrial housing schemes and the date or dates on which sanction therefor was communicated to this Government together with the conditions for their utilisation; and

(ii) to place on the table of the House a list showing—

(a) the specific schemes for which the above amounts were allotted;

(b) the actual amount spent in the First Plan period on each of the schemes referred to in clause (a) above; and

(c) the balance left unspent and lapsed and the reasons therefor?

THE HON. SRI M. BHAKTAVATSALAM: (i) & (ii) The information is furnished in the statement^a placed on the table of the House.

SRI T. PURUSHOTHAM: From the statement placed on the table of the House, it is noted that large amounts have lapsed. Will the Hon. the Minister for Agriculture kindly tell us whether the lapsed amounts would be allotted during the next year so that the housing schemes may be pushed through?

THE HON. SRI M. BHAKTAVATSALAM: Sir, as has been pointed out in the statement placed on the table, there would have been lapses on account of various factors which could not be avoided. But, there should be no worry and no difficulty about the availability of sufficient funds. Only we have to mobilise all the forces to get this programme through completely.

[22nd December 1956]

Capital punishment

* 123 Q.—SRI T. PURUSHOTHAM: Will the Hon. the Minister for Finance and Education be pleased to state—

(a) the number of murder cases put up for trial in this State during the years—

(i) 1954-55 and

(ii) 1955-56;

(b) the number of cases in which capital punishment was awarded; and

(c) whether there is any proposal to abolish capital punishment?

THE HON. SRI C. SUBRAMANIAM:

(a) (i) 654

(ii) 648

(b) (i) 117

(ii) 129

(c) No, Sir.

SRI T. PURUSHOTHAM: Will the Government tell us why they have come to the conclusion that capital punishment should continue? Is there any reference from the Central Government in this regard and is it the policy of the Government that capital punishment should be there?

THE HON. SRI C. SUBRAMANIAM: In the present circumstances, the Government feel that there should be a deterrent sentence like death sentence. It may be that in certain cases we commute the sentence. Still, I think this capital punishment is necessary now.

Levy of fines in aided secondary schools

* 124 Q.—SRI G. KRISHNAMOORTHY: Will the Hon. the Minister for Finance and Education be pleased to state—

(a) whether it is a fact that the levy of fines from children in aided secondary schools in the State is permitted by the Government; and

(b) if so, whether rules have been laid down as to—

(i) the conditions of levy;

(ii) the maximum amount that can be levied; and

(iii) the purposes for which such amount can be utilised?

THE HON. SRI C. SUBRAMANIAM: (a) & (b) The levy of fines from the students in aided secondary schools is left to the discretion of the managements, or the Headmasters of schools.

They have to conform to the provisions contained in the Madras Educational Rules.

22nd December 1956]

SRI G. KRISHNAMOORTHY : குழந்தைகளுக்கு அபராதம் விதிக்கப் பட்டாலும் அந்தத் தொகையைப் பெற்றோர்களே கொடுக்க வேண்டியிருப்பதால், சர்க்கார் இந்த முறையைத் தடை செய்வார்களா?

THE HON. SRI C. SUBRAMANIAM : பெற்றோர்களும் தங்களுடைய குழந்தைகளின் டேரில் சற்று கண்காணிப்பாக இருந்து, அவர்களுடைய நடத்தை நல்ல முறையிலே இருக்கும்படியாகப் பார்த்துக்கொள்ளவேண்டும் என்பதற்காகத் தான் குழந்தைகளுக்கு அபராதம் விதிக்கும் முறை இருந்து வருகிறது.

SRI G. KRISHNAMOORTHY : அபராதம் எந்தெந்தக் காரணத்திற்காக வாங்கப்படவேண்டும் என்று சர்க்கார் ஒரே விதமான சில விதிகளைப் போடாவிட்டால், பள்ளிக்கூடங்கள் தங்கள் இஷ்டப்படி, சாதாரண சிறிய காரணங்களுக்கும் அபராதம் வாங்க ஏதுவாக இருக்குமே, இது விஷயமாக சர்க்கார் என்ன கருதுகிறார்கள்?

THE HON. SRI C. SUBRAMANIAM : சர்க்காருக்கு இதுவரை அம்மாதிரிப் புகார் ஏதும் வரவில்லை.

SRI G. KRISHNAMOORTHY : அபராதத் தொகையும் பொது ஜனங்களுடைய பணமானதால், வசூலிக்கப்படும் பணம் எப்படி விநியோகிக்கப்படுகிறது என்பதை சர்க்கார் கல்வி கண்காணிப்பாளர்கள் கணக்கெடுத்துக்கொள்கிறார்களா என்பதை அறிய விரும்புகிறேன்.

THE HON. SRI C. SUBRAMANIAM : வசூலிக்கப்படும் பணம் அந்தப் பள்ளிக்கூடத்தின் பொது நிதிக்குச் சேர்க்கப்படுகிறது.

SRI G. KRISHNAMOORTHY : இந்தப் பணமானது பல குழந்தைகளிடமிருந்து வாங்கப்படுவதால், குழந்தைகளின் நன்மைக்காகவே அது செலவழிக்கப்பட சில திட்டங்கள் வகுக்கப்படவேண்டும். அதாவது 'ப்ரைஸ்' கொடுப்பதுமூலம் நேராகவே குழந்தைகளுக்குத் திரும்ப விநியோகம் ஆகும்படி அந்தப் பணம் செலவு செய்யப்படுமா என்பதை அறிய விரும்புகிறேன்.

THE HON. SRI C. SUBRAMANIAM : கனம் அங்கத்தினர் சொல்வதைப்போல் அபராதத் தொகை ஏராளமாக வருவது சிடையாது. அம்மாதிரி அபராதம் போடவேண்டிய அவசியம் சில சமயங்களில்தான் ஏற்படுகிறது. இந்தத் தொகை கனம் அங்கத்தினர் சொல்வதுபோல் அவ்வளவு அதிகமாக இருக்காது. ஆகையால் அம்மாதிரி குழந்தைகளுக்கு 'ப்ரைஸ்' கொடுப்பது போன்ற முறையில் திரும்ப விநியோகிக்கவேண்டுமென்று சொல்வதிலே எந்தவிதமானப் பயனும் இருக்காது என்று நான் கருதுகிறேன்.

SRI T. P. SRINIVASAVARADAN : Is the Hon. the Minister for Education aware that if no time limit is fixed for the payment of fees and if no penalty is levied for default, many institutions cannot pay even the salaries of teachers? Is he also aware that if the parents are allowed to pay the fees as and when they please, most of them would try to pay the fees only at the end of the year in which case it will be absolutely impossible for any institution to get on even with its normal work?

THE HON. SRI C. SUBRAMANIAM : Sir, I took the hon. Member Sri Krishnamoorthi to be referring to fines levied for acts of indiscipline in the interests of the students and the institutions themselves. There are two kinds of fines that are levied. One is the levy of fines for failure to pay the tuition and other fees within the prescribed date and the other relates to the levy

[22nd December 1956]

of fine in the interests of maintaining discipline in the institution. I thought the hon. Member Sri Krishnamoorthi was referring to fines levied for acts of indiscipline.

SRI G. KRISHNAMOORTHI : கனம் மந்திரி அவர்கள் சொல்லுவது சரியே.

SRI A. GAJAPATHY NAYAGAR : இம்மாதிரி குழந்தைகளிடமிருந்து அபராதம் வாங்குவது தவறு என்பதை அரசியலார் உணர்ந்து, அந்த முறையைக் கைவிடுவார்களா ?

THE HON. SRI C. SUBRAMANIAM : இதனுடைய அவசியத்தைப்பற்றி நான் இதற்கு முன்பே சொன்னேன். இந்த அபராதத்தினால் யாருக்கேனும் நஷ்டம் ஏற்பட்டிருப்பதாக இதுவரையிலும் சர்க்காருக்கு எந்த விதமான தகவலும் கிடைக்கவில்லை.

MR. CHAIRMAN : Questions are over.

[Note.—An asterisk (*) at the commencement of a speech indicates revision by the Member.]

II.—ANNOUNCEMENT BY THE HON. CHAIRMAN *RE* MESSAGES FROM THE GOVERNOR.

MR. CHAIRMAN : I have to announce to the House that I have received the following messages from the Governor of Madras :—

“(1) In pursuance of clause (1) of Article 207, read with sub-clause (a) of clause (1) of Article 199 of the Constitution of India, I, A. J. John, Governor of Madras, hereby give my recommendation for moving in the Madras Legislative Council of the Madras Inams (Assessment) Bill, 1956; and

(2) In pursuance of Article 207, clause (3), of the Constitution of India, I, Sri Prakasa, Governor of Madras, hereby give my recommendation for the consideration in the Madras Legislative Council of the Madras Inams (Assessment) Bill, 1956.”

III.—GOVERNMENT MOTIONS.

- (1) MOTION UNDER RULE 23 (1) OF THE COUNCIL RULES *re* TRANSACTION OF GOVERNMENT BUSINESS ON A NON-OFFICIAL DAY (22ND DECEMBER 1956).

THE HON. SRI M. BHAKTAVATSALAM : Sir, I move—

“That rule 23 (1) of the Madras Legislative Council Rules be suspended and this House do resolve to transact Government business on Saturday, the 22nd December 1956.”

SRI K. BALASUBRAMANYA AYYAR : Sir, I think we sit on Monday also?

MR. CHAIRMAN : Yes. The question is—

“That rule 23 (1) of the Madras Legislative Council Rules be suspended and this House do resolve to transact Government business on Saturday, the 22nd December 1956.”

The motion was put and carried.

22nd December 1956]

IV.—MOTION UNDER RULE 41 (1) OF THE COUNCIL RULES *RE* STRIKE OF EMPLOYEES OF THE GOVERNMENT STANLEY HOSPITAL AT RAYAPURAM.

* **SRI T. PURUSHOTHAM** : Mr. Chairman, under rule 41 (1) of the Madras Legislative Council Rules and with the permission of the Hon. Chairman, I invite the attention of the Hon. the Minister for Health to a matter of urgent public importance, viz., the strike of the staff working in the Government Stanley Hospital at Rayapuram staged on the 18th instant, to the great inconvenience of the public. I request the Government to order an immediate investigation into the causes of this strike. As a member of the Hospital Advisory Committee, I have received varied reports about this occurrence. I request the Hon. Minister to take necessary steps to meet the situation and also to tell us what has been done to allay the public discontent in the matter and to set right matters. It should be interesting to know whether previous notice of the strike was received by the Government and what precautionary steps were taken by them. While I agree that discipline should be maintained, the Government should, I believe, enquire into the matter and do their best to have a contented staff.

2-40
p.m.

* **THE HON. SRI M. A. MANICKAVELU** : Mr. Chairman, Sir, it is reported that the hospital workers, that is, the last grade servants of the Government Stanley Hospital, Madras, went on a token strike for two hours from 7-00 a.m. to 9-00 a.m. on 18th December 1956. It is reported that excepting a few workers who agreed and told the Resident Medical Officer that they were going for duty, all others struck work on that date. The Dean contacted the Commissioner, Corporation of Madras, to spare the services of a few persons from the Corporation and by the time the employees of the Corporation arrived, the demonstrators resumed duty at 9-00 a.m. The Dean stated that the work of the hospital was carried on as usual with the available number of persons on duty and with the services of persons who were in the waiting list for regular appointment. The Dean has called for individual explanation from those who struck work and has promised to send a further report to the Director of Medical Services. It is believed that the strike move was forced upon the workers by one Sri V. Samuel, man nursing orderly to secure his re-posting to the Stanley Hospital from which he had been transferred to another hospital. In connection with the representation on the subject made by the Madras Hospital Workers' Union, the attention of the President of the Union was invited to the Government order regarding interference by the Union in individual matters and he was informed that the Union should not raise individual cases of grievances. It was further stated that the transfer of Sri V. Samuel, man nursing orderly from the Government Stanley Hospital to the Government Ophthalmic Hospital was made on administrative grounds and that his request for transfer to the Stanley Hospital could not be complied with. The Director of Medical Services has been asked to submit the report on the action taken by the Dean against the persons who struck work. So, I am awaiting a full report.

[22nd December 1956]

III.—GOVERNMENT MOTIONS—*cont.*

(2) ELECTION OF ONE MEMBER TO THE BOARD OF INDUSTRIES.

THE HON. SRI M. BHAKTAVATSALAM : Sir, I move—

“ That in accordance with section 3 (1) (b) of the Madras State Aid to Industries Act, 1922 (Madras Act V of 1923) as recently amended, and rule XXII (3) of the rules framed under the Act, this Council do proceed on a date to be fixed by the Chairman to elect one person to be the Council's representative on the Board of Industries constituted under the Act.”

MR. CHAIRMAN : The question is—

“ That in accordance with section 3 (1) (b) of the Madras State Aid to Industries Act, 1922 (Madras Act V of 1923) as recently amended, and rule XXII (3) of the rules framed under the Act, this Council do proceed on a date to be fixed by the Chairman to elect one person to be the Council's representative on the Board of Industries constituted under the Act.”

The motion was put and carried.

MR. CHAIRMAN : In accordance with the regulations framed by me for the holding of elections according to the principle of proportional representation by means of the single transferable vote, I fix the following programme for the election of one member to the Board of Industries :—

Date and time for the receipt of nominations—4 p.m. on Monday, the 24th December 1956.

Scrutiny of nominations—5 p.m. on Monday, the 24th December 1956.

Withdrawal of nominations—3 p.m. on Wednesday, the 26th December 1956.

Poll, in case of contest—Between 11 a.m. and 1 p.m. on Thursday, the 27th December 1956.

Nomination forms can be had on application to the Secretary to the Council.

(3) AMENDMENTS TO THE RULES UNDER SECTION 40 (1) OF THE MADRAS ESTATES (ABOLITION AND CONVERSION INTO RYOTWARI) ACT, 1948 (MADRAS ACT XXVI OF 1948).

* THE HON. SRI M. A. MANICKAVELU : Sir, I move—

“ That the following draft amendment to the rules published with Revenue Department notification, dated the 21st December 1949, at pages 397–398 of the Rules Supplement to Part I of the *Fort St. George Gazette*, dated the 27th December 1949, which it is proposed to make in exercise of the powers conferred by section 40 (1) of the Madras Estates (Abolition and Conversion into Ryotwari) Act, 1948 (Madras Act XXVI of 1948), be approved;

22nd December 1956] [Sri M. A. Manickavelu]

DRAFT AMENDMENT.

In ruel 3 of the said rules, the following proviso shall be added at the end, namely :—

‘ Provided that where the amount of the total compensation stands altered as a result of any order under section 39 of the Act or otherwise, after the payment or payments referred to have been made, the amount or the amounts of any deficiency in the payment or payments already made may be paid at any time and as soon as may be after the said alteration, and the amount or amounts of any excess in the payment or payments already made by way of deposit under rule 5 may be withdrawn at any time and as soon as may be after the said alteration.’ ”

The object of this amendment is this. Now under rule 3 of the rules issued under section 40 of the Abolition Act, the compensation in respect of an estate where it is payable in one lump sum and the first instalment of the compensation where it is payable in instalments shall be paid not later than nine months from the date on which the settlement operations in respect of that estate are completed, or where the date is earlier within the date of expiry of three fasli years under section 30 or 34 of the Act and not later than nine months from the latter date. There is no provision in the rules by which after the expiry of this period any alteration in the compensation amount already deposited, by way of additional deposits can be made. But circumstances may arise necessitating alteration of the compensation amount subsequent to the decision of the Tribunal. Therefore, the Director of Settlements has stated that a proviso be added under rule 3 so as to enable him to make additional deposits or withdraw excess amounts already deposited as a result of alterations in the compensation amount which may take place subsequent to this deposit. Now, as it is, once the deposit has been made under the section I referred to, it is visualised that the quantum of compensation is paid. We have no power either to pay more to make up the deficiency nor can we withdraw any amount which we have paid in excess. So, this rule provides for this contingency also. That is the reason why this amendment has been moved.

MR. CHAIRMAN : The question is—

“ That the following draft amendment to the rules published with Revenue Department notification, dated the 21st December 1949, at pages 397–398 of the Rules Supplement to Part I of the *Fort St. George Gazette*, dated the 27th December 1949, which it is proposed to make in exercise of the powers conferred by

[Mr. Chairman] [22nd December 1956]

section 40 (1) of the Madras Estates (Abolition and Conversion into Ryotwari) Act, 1948 (Madras Act XXVI of 1948) be approved :—

DRAFT AMENDMENT.

In rule 3 of the said rules, the following proviso shall be added at the end, namely :—

‘ Provided that where the amount of the total compensation stands altered as a result of any order under section 39 of the Act or otherwise, after the payment or payments referred to have been made, the amount or the amounts of any deficiency in the payment or payments already made may be paid at any time and as soon as may be after the said alteration, and the amount or amounts of any excess in the payment or payments already made by way of deposit under rule 5 may be withdrawn at any time and as soon as may be after the said alteration.’ ”

The motion was put and carried.

V.—GOVERNMENT BILLS.

(1) THE MADRAS CO-OPERATIVE SOCIETIES (AMENDMENT) BILL, 1956 (L.A. BILL NO. 34 OF 1956).

* THE HON. SRI M. BHAKTAVATSALAM : Sir, I move—

“ That the Madras Co-operative Societies (Amendment) Bill, 1956 (L.A. Bill No. 34 of 1956), as passed by the Legislative Assembly, be taken into consideration.”

The All-India Rural Credit Survey Committee appointed by the Reserve Bank of India undertook a survey of rural credit which brought to light the inadequacy of co-operative credit. The Committee observed that a dynamic programme for increasing agricultural production which the country had undertaken called for an equally dynamic programme of agricultural credit and recommended the supply of institutional credit on a co-operative basis to a larger section of the agricultural population, laying emphasis on the supply of productive finance and provision of complementary arrangements for marketing and processing to enable the ryots to reap the benefits of increased agricultural production. The Committee recommended a scheme of integrated rural credit and marketing based on the three principles of State partnership at different levels, full co-ordination between credit and other economic activities especially marketing and processing, and administration through adequately trained and efficient personnel responsive to the needs of the rural population. This scheme contemplated the formation of large-sized primary societies, based on limited liability or liability limited by guarantee and employing paid staff, as against the existing village credit societies and State participation in the co-operative institutions. The Committee also recommended the advance of cultivation

22nd December 1956] [Sri M. Bhaktavatsalam]

loans on the security of the crops proposed to be raised. The basic principles and lines of reorganisation of the co-operative credit movement recommended by the Committee were approved at the conference of State Ministers held at New Delhi in April 1955. That Conference also recommended that, as a preliminary step towards the implementation of the scheme of integrated credit, a few pilot projects embodying the salient features of the main scheme might be started in two or three select districts during 1955-56 itself to gain experience for working the main scheme. A pilot scheme was accordingly sanctioned by this Government and was put into operation from January 1956 in two select taluks in each of the districts of Chingleput, Coimbatore, Ramnathapuram and Tirunelveli. It was found that through the implementation of the scheme there was a record increase in the membership, paid-up share capital, deposits and loan transactions of large-sized agricultural credit societies. Encouraged by the results of the scheme, the Government sanctioned the main scheme also in June last and it is now being implemented throughout the State. The progress made in regard to issue of loans from 1st April 1956 to 31st October 1956 by the Co-operative Central Banks to Agricultural Credit and Marketing Societies for disbursement to agriculturists, primary land mortgage banks and Central Land Mortgage Bank proved beyond doubt that the scheme has helped to increase the tempo of development of co-operative credit.

In order to ensure the effective and successful implementation of the scheme and the achievement of the targets laid down in the scheme by carrying out the programmes for State participation in the share capital of co-operative institutions, formation of large-sized credit societies, expansion of credit by co-operatives, etc., it has become necessary to make certain amendments to the existing Madras Co-operative Societies Act. This opportunity is also taken advantage of for bringing about one or two other amendments to the Act which are also very urgent.

The need for the amendments proposed has been explained briefly in the Notes on clauses appended to the Bill.

MR. CHAIRMAN : Motion moved—

“ That the Madras Co-operative Societies (Amendment) Bill, 1956 (L.A. Bill No. 34 of 1956), as passed by the Legislative Assembly, be taken into consideration.”

SRI K. BALASUBRAMANYA AYYAR : Mr. Chairman, at the outset, I have to state one or two things that have happened. The Committee on Co-operation which was constituted by the Madras Government has gone into the whole question very thoroughly. The Chairman of the Committee was my respected colleague, Sri T. M. Narayanaswamy Pillai and a very learned report has been submitted by it. A copy of the Report was also supplied to us. The Committee has made a number of recommendations as regards the way in which loans have to be given

2-50
p.m.

[Sri K. Balasubramanya Ayyar] [22nd December 1956]

to agriculturists, the way in which they can be recovered, etc. I do not find that all of them have been considered and suitable amendments brought in in this particular Bill. That is one thing.

Another thing is this. The Government of India have recently appointed a Commission and it has issued a questionnaire on the Law of Co-operation. I think that that questionnaire has been sent to hon. Members of this Council also. There are these things and I think it would be better if a comprehensive Bill is brought in after these things are also taken into consideration by the Government. Of course, the Hon. Minister states that there are some schemes which necessitate these amendments urgently. When we take action to amend a particular Act, it would be better to wait a bit—say, for two or three months—examine the whole Law of Co-operation and the recommendations of the Committee and then bring in such a Bill. That would also be consistent with the policy laid down in the Budget speech of the Hon. the Finance Minister, that is, to leave such things to the coming Government. No doubt, that is a matter for consideration by the Hon. Ministers.

THE HON. SRI M. BHAKTAVATSALAM: This is not a case of taxing the people, but this is a case of giving *loans* to the people.

SRI K. BALASUBRAMANYA AYYAR: I am fully aware of it. Yes, it is not a question of taxing the people. But in the Budget speech special reference has been made that even schemes which are very useful to the people have been postponed for consideration by the new Government. Consistent with that policy—this is not a question of imposition of a tax—these amendments could have been left to the coming Government. Now, there is no question of these loans being urgently needed by the agriculturists. This is harvest time. In effect, the Government would be operating in a vacuum. I realise that this is not a case of imposition of tax. Therefore it is that I make bold to say that this could have been left over. For, this is not wanted at the present time. (The Hon. Sri M. Bhaktavatsalam: Not wanted?) Yes, not wanted at the present moment. This is a time when we are looking to Providence to see that nothing untoward happens and hampers the harvest. It is stated that these loans are given especially for raising crops, etc., that is, for meeting cultivation expenses.

Then, so far as amalgamation of small societies is concerned, that is a different matter and I do not propose to deal with that now. But this measure could have been postponed especially when there is a Co-operation Commission for the purpose of evolving a law for the whole of India. They will suggest a certain law and we will have to adapt it. This is not a mere executive order but a legislation and in matters of legislation, many difficulties have to be overcome if a measure is to work for the benefit of the people. Of course, the objects are good and laudable. I do not

22nd December 1956] [Sri K. Balasubramanya Ayyar]

want to oppose the Bill on that score. But so far as the legislative machinery is concerned, this could have been postponed for the present. Further, in the Legislative Assembly the Hon. the Finance Minister has stated that they have almost exhausted their mandate. 'Mandate' is the word he used. They have exhausted all and only 5 per cent more is remaining.

There are certain amendments which I have given notice of and I shall explain them when the time comes.

Sir, there are various irregularities in the working of co-operative societies. This was referred to by some hon. Members in the Assembly also. Various reports have appeared in the Press about defalcations in co-operative societies. Some provision ought to be there in the Act to prevent such defalcations. Of course, the guilty persons are punished later on. But it would be better if there is a specific provision to prevent such things. Something like effective audit, previous sanction for various expenses to be incurred, etc., should be there so that we might check the occurrence of defalcations. I have not gone into the question thoroughly and, therefore, I cannot say how it should be done.

Sir, there is another matter here. In all recent legislations we have got a particular section which says, 'Everything said here is final and shall not be called in question in any Court of Law'. Already the Law Commission has been addressed whether it would consider this particular matter and give any direction to all our Legislatures and various other Bodies which are proposing legislation. The general policy to be adopted in this regard should be made clear. For example, there is the provision about recovery of debts. The Registrar also decides questions in regard to this matter. Thus, the Registrar is also exercising some judicial functions. Therefore, there should be some provision under which his orders could be revised. On questions of fact, of course, final decisions may be given by him. But, on general questions of law, where any injustice takes place on account of the misapprehension of law, there must be some room for remedy in a Court of Law. It is only in cases where there is a misapprehension of law that I want that there should be provision for revision. For example, there is the provision regarding punishment for disposing of property in contravention of the provisions of section 21. In such cases, if there is a misapprehension of law, there should be provision for revision. A revision petition may lie to the Munsif's Court in the same place. All these things may be provided to make justice cheap, summary and quick. But to say that the orders of the Registrar should not be called in question is a thing which I do not support. In all legislations, especially when the Executive is exercising judicial functions, there must be some safeguard against injustice.

With regard to other matters, I have proposed one or two amendments and I shall explain them when the clauses are taken up for consideration. There is one principle to which I agree

[Sri K. Balasubramanya Ayyar] [22nd December 1956]

and that is this. One of the Committee's recommendations is that there should be a provision under which the Registrar may compel the societies to amalgamate whenever necessary. So far as that recommendation is concerned, I am glad that it is provided in this Bill that the Registrar can in justifiable circumstances direct the amalgamation of societies. There are other very salutary things also which could very well have been adopted here.

The Report of the Committee is worth looking into by all the hon. Members at this particular juncture. It is stated that provision may be made in the co-operative law for the creation of a charge on immovable property by a declaration made by the owner. That means this. When one gets a loan from a co-operative society, in order to create a charge on immovable property, one need not sign any formal document. It is enough if there is a mere declaration signed by the applicant that he creates a charge. That is sufficient for the purpose of creating a charge on immovable property. That is a very salutary provision which will be very useful to agriculturists. That matter could be looked into and some provision made in this particular law.

The Committee has also stated that there is need for the institution of a guarantee and relief fund out of which possible losses to tenants may be made good. Especially, when there are banks or companies which give loans to ryots, there will always be some losses. There is no doubt about that. There should be some provision by which these losses can be met. For example, we have a contingent fund. Similarly, there is need for the institution of a guarantee and relief fund. That provision could very well have been adopted here also. Loans are given to tenants. Most of them are poor and they may not be able to repay them ultimately. Therefore, in order to meet all possible risks, this guarantee and relief fund can be organised in every co-operative society.

There are very many things which could also have been adopted here. I suppose in the rules, these two things I have mentioned will be provided for.

I welcome this Bill, on the whole, because it enables the co-operative societies to give loans to cultivators, especially on mortgage. The important thing to be noted in this connection is that they cannot be recovered immediately. As the Committee itself has stated in its Report, the loan has to be recovered in instalments. If that is done, it will be a very great help to the cultivator. There is no provision in this Bill for that purpose. Therefore, I have given notice of an amendment in this regard.

* SRI T. M. NARAYANASWAMY PILLAI: Mr. Chairman, Sir, my hon. Friend Sri K. Balasubramanya Ayyar referred to two aspects of the question. One relates to things which have not been done and which might have been done by the Government and the other relates to the actual provisions of this

22nd December 1956] [Sri T. M. Narayanaswamy Pillai]

Amending Bill. With regard to the first, I shall put forward two points for the consideration of the Government. I was reminded of them by the reference made by the hon. Member Sri Balasubramanya Ayyar to the questionnaire issued by an All-India Committee for the purpose of reforming the co-operative law, and by the reference made by the Hon. Minister in his speech to the recommendations of the All-India Rural Credit Survey Committee. These two points are : (1) the recommendations of the Rural Credit Survey Committee have not been accepted *in toto* by the Conference of Ministers, and (2) the State should not abdicate its responsibility in the field of co-operation. The All-India Rural Credit Survey Committee was no doubt composed of very eminent people and its recommendations are entitled to our highest respect. Wherever possible and acceptable, we should lose no time to implement them. But there are certain general trends and principles adumbrated in the Report to which every man who is really interested in co-operation must take exception; one of such trends is to forget the basis of co-operation and to transform it merely, entirely and totally into a State-controlled institution. That would be the end which would have been achieved if the recommendations of the All-India Rural Credit Survey Committee had been put into effect in entirety. At the same time, there are some significant findings of that Committee which must be implemented. When the Hon. Minister said that the recommendations of the All-India Committee were approved either by the Conference at Patna or by the Authorities at Delhi, I think there was a little error in it. The recommendations were not accepted *in toto*. They were diluted considerably and the part proposed to be given to the State has been considerably watered down. It was only the principle of the State coming to aid the institutions in respect of finances that was accepted. I am not here on principle saying that the State is bad and the co-operative movement as such is good or *vice versa* but what I am attempting to say is this :—If the State were to contribute the meagre share capital, have control over major policies, the constitution of the Board of Directors, appointment of the chief executive staff and possess a veto power, what is there for the co-operative institutions to do? All these aspects have to be taken into consideration when considering the recommendations of the Rural Credit Survey Committee.

3-10
P.M.

Sir, the Madras Committee has taken pains to analyse the whole position, and examine the basis of the findings of the other Committee in a particular manner and has recommended portions which will be beneficial to the movement without, at the same time, undermining the basis and the fundamentals of the movement. •

There is another point to which I wish to refer. There seems to be a general feeling that the State Government are abdicating their rights and responsibilities in favour of the Centre. My point is that they should not do so. If there is any field in which

[Sri T. M. Narayanaswamy Pillai] [22nd December 1956]

the State should have full control, it is this field of co-operation. I cannot understand why this field also should be taken away from the operation of the State. The Committee has categorically stated that the State should have a Co-operative Development Board presided over by the Minister and aided by other co-operators and responsible officials; that the State should not be deprived of what is legitimately due to it in this sphere of co-operation. There is a tendency which, if allowed to continue, would deprive the State of its legitimate rights and responsibility. That would be detrimental to the fundamental principles of the co-operative movement. These are the two points which I was reminded of when my hon. Friend Sri Balasubramanya Ayyar and the Hon. Minister spoke. If we are not careful about these matters, then even with the best of intentions, we shall not be able to achieve anything substantial in this field.

As far as the actual provisions contained in the Bill are concerned, I certainly welcome the move of the Government to arm themselves with necessary legislative powers to introduce large-sized primary societies. At present, there can be only one society for one village, and the number of members is very limited, and the result is that we do not have sufficient volume of transactions to make the village society an economic unit. An examination shows that these small societies with a limited capital are working at a loss and to that extent, the whole thing may be said to be a failure. It is not possible to enrol all the villagers as members. A number of disadvantages have to be faced by these small societies as a result of the operation of certain provisions. Unless and until these disadvantages, basic, initial, constitutional disadvantages are removed, these small societies cannot work as economic units. In the interests of the co-operative movement as such, it is necessary to see that the scope of the village society is widened, that it becomes large-sized, that it works at a profit and that it is able to employ a paid staff for the preparation of accounts, collection of dues at the proper time and so on. The necessity to establish large-sized societies is borne out by the experience gained. I want to bring one instance to the notice of the Government. There is a society in the present Andhra State which once formed part of the composite Madras State, viz., the Society at Alameru. I think one of its Presidents was a Member of this Council before separation. That Society caters to the needs of persons within a radius of 5 miles. The present position of that Society is such that it has got reserves to the extent of many lakhs of rupees. It deals in lakhs of rupees. It has a large membership. This is a positive instance which clearly shows how a large-sized society has proved its effectiveness and usefulness. It has also exhibited its capacity for service. Similarly, in our State, we examined a number of societies. No society which has a transaction to the extent of less than Rs. 50,000 can ever hope to work at a profit or can be useful to the community. The conclusion of the Committee in the matter is that there must be a transaction at least to the extent of two lakhs of rupees to make the society work satisfactorily. From the

22nd December 1956] [Sri T. M. Narayanaswamy Pillai]

point of view of theory and from the point of view of the results achieved here and elsewhere by certain societies, the committee has come to the conclusion that there should be large-sized societies. Of course, there is section 13 which provides for the amalgamation of the societies on a voluntary basis. But, it takes time and it is not possible to give effect to this amalgamation quickly. There is no provision for compulsory amalgamation. Therefore, the Government are right in coming forward to arm themselves with certain powers by which the Registrar will be enabled to effect compulsory amalgamation if they do not come to an agreement with regard to the amalgamation proposed. I welcome this amendment which is a very wise one, I should say.

Similarly, one or two other amendments are also necessary. For instance, I would like to refer to the one mentioned by the hon. Member Sri Balasubramanya Ayyar with regard to the creation of prior charge. Of course, it may be said that there is some provision in the Bill. But, I have to point out that the wording used in the present law is only 'priority'. The wording has to be changed and prior charge should be given to the society for the money lent for purchasing seeds, farm implements, cattle or raw materials. The provision for charge is necessary. 3-20 p.m.

Regarding punishment, the committee, after anxious consideration, decided to follow other States like Bombay which have similar provisions. But exemptions will be given in *bona fide* cases. At the same time, we should say that people should not resort to questionable practices.

Some definition with regard to "Registrar" is necessary. It is stated that the Registrar is one who is appointed to do the duties of the Registrar. That is rather a vague definition. It is also stated that the Registrar can delegate his powers to the Deputy Registrar. But when the Deputy Registrar is exercising the powers delegated to him by the Registrar, is he doing the duties of the Registrar? From a layman's point of view, the definition may be all right. But on a strictly legalistic interpretation, the definition is not correct. Therefore, it would be much better if a correct definition is given to the term "Registrar" so as to make the meaning clear.

Some of the provisions may help the Government and the co-operative institutions. From the findings of the Rural Credit Survey Committee it is observed that not all the villages are covered by the co-operative movement. The co-operative movement has not spread to all the rural families. But slowly we are moving. For "agriculture" to make headway, co-operative movement must play no small part. But the difficulty nowadays is that we find it very difficult to find people to advance money to the agriculturists, who merely cultivate but have no property. The cultivators are honest people who will return the money borrowed. The creditor-society also should be prepared to advance money on the security of the produce about to be raised. This

[Sri T. M. Narayanaswamy Pillai] [22nd December 1956]

Bill wants to help the co-operative institutions to enable them to advance money to the cultivators. The important role to be played by these co-operative institutions in the matter of rural credit cannot be over-emphasised. The success of agriculture depends upon the useful role played by the co-operative movement in affording rural credit to the cultivators. One of the aims of the Second Five-Year Plan is to encourage "co-operative planning". The principal aim of the Second Five-Year Plan is to improve agriculture and small-scale industries and to establish social justice. Co-operative movement plays no small part in the improvement of agriculture and of the standard of the rural people. Therefore, no time should be lost in making co-operative societies effectively participate in this matter of rural reconstruction by advancing credit to the agriculturists in times of need. Then only we can fulfil the rural reconstruction programme envisaged in the Second Five-Year Plan. While I welcome the Bill, I would take exception to the way in which the findings of the Rural Credit Survey Committee have been referred to by the Hon. Minister and the manner in which the present trends are noticeable in the co-operative field in the State so as to deprive it of its initiative and responsibility.

* SRI V. V. RAMASWAMI : தலைவர் அவர்களே, இந்த மசோதா வானது பெரும்பாலும் கிராம மக்களுக்குப் பயன்படவேண்டிய நோக்கத்தின் கண்ணோட்டத்துடன் கொண்டு வரப்பட்டிருக்கிறது. அதாவது, நமது நாட்டிலே இருக்கின்ற மக்கள் சமுதாயத்தில் 80 சதவிகிதத்திற்குமேல் விவசாயத்திலே ஈடுபட்டிருக்கின்றமையால், தொன்றுதொட்டு நடத்திவருகின்ற இந்தத் தொழிலிலே எவ்வளவுதான் அவர்கள் உழைத்தாலும், கால மாறுபாடுகளினால் அதில் தக்க பலன் கிடைக்காமல் கடன் பளு ஏற்பட்டு சங்கடப்பட்டுக்கொண்டிருக்கிறார்கள் என்பதை அரசியலாளரும் அறிவர்; பொது மக்களும் அறிவர்.

ஆகவே, இந்த நிலையிலே பொது மக்களில் பெரும் பகுதியினராகிய விவசாய மக்களுக்கு நிவாரணம் அளிக்கவேண்டுமானால், தங்களுக்கு உண்மையாக சமுதாயத்திலே நலன் இருக்கிறதென்று அவர்களையும் உணர்ச்சி செய்யவேண்டுமானால், அவர்களுக்கு ஏற்பட்டிருக்கிற கடன் பளுவைக் குறைக்கவேண்டுமென்பதுதான் முக்கியமான பிரச்சனையாக இருக்கிற தென்பதை அரசியலார் உணர்ந்திருக்கின்றார்கள்.

அவர்களுடைய கடன் பளுவை எப்படி நீக்குவது, அவர்களுக்கு எப்படி கடன் கொடுத்து உதவுவது என்பதை ஆராய்ந்து பார்ப்பதற்கு நமது இந்திய அரசாங்கத்தின் ரிசர்வ் பாங்கிள் "ஆல் இந்தியா ரூரல் கரெடிட் ஸர்வே கமிட்டி" என்று ஒரு கமிட்டியை ஏற்படுத்தியதின் பேரில், அவர்கள் ஆராய்ந்து பார்த்து, தங்கள் யாதாஸ்தைச் சமர்ப்பித்திருக்கிறார்கள். அந்த யாதாஸ்தில் முக்கியமாக விவசாய மக்களுக்கு இப்பொழுது இருக்கிற முறையிலே தேவையான பணம் காலாகாலத்தில் கிடைக்காத நிலைமையினால் ஒவ்வொரு ஆண்டும் கடன் பளு மேலும் மேலும் அதிகப்பட்டுக்கொண்டே வருகிறதென்றும்; இப்பொழுது அவர்களுக்குக் கடன் கொடுக்கப்படுகிறதெல்லாம் முக்கியமாக கூட்டுறவு இலாகா மூலமாக இருந்தபோதிலும், எவ்வளவு எதிர்பார்த்தோமோ அவ்வளவு கொடுக்கப் படவில்லை என்றும்; ஆகவே, இதைச் சீர்திருத்தி அமைக்கவேண்டும் என்றும் அவர்கள் ஆலோசனை சொல்லியிருக்கிறார்கள். அரசாங்கத்தின் மூலமாகவோ, கூட்டுறவு இயக்கத்தின் மூலமாகவோ எவ்வளவு கடன் கொடுக்கப்பட்டாலுங்கூட, எவ்வளவு குறைந்த வட்டியாக இருந்தபோதிலுங்கூட, விவசாயிகளுக்குத் தேவையான பணம் கிடைக்காததால் அவன் எப்படியும் வெளியிலே கடன் வாங்கவேண்டிய நிலைமையில் இருக்கிறான்

22nd December 1956] [Sri V. V. Ramaswami]

அதனால் அவன் சொல்லொனாத வட்டி விகிதத்திலே கடன் வாங்குகிறான். கூட்டுறவு இயக்கத்தின் மூலமாக அவனுக்கு ஆறேகால் சதவிகித வட்டியில் கடன் கிடைக்கிறது. ஆனால், வெளியில், கணக்கில் ஒருவாறு இருந்த போதிலும் தன்னுடைய நிலத்தையே இழந்துவிடுகின்ற அளவு வட்டிக்குக் கடன் வாங்குவதால் அவன் கஷ்டப்படுகிறான். ஆகவே இந்த வட்டிப் பளுவைத் தீர்க்கவேண்டுமானால் கூட்டுறவு இயக்கத்தின் மூலமாகத்தான் கடன் கொடுக்கவேண்டும். இந்த இயக்கத்தின் மூலமாகத்தான் பொது ஜனங்களுக்கு சேவை செய்யமுடியும் என்று ரிசர்வ் பாங்கினர் ஒப்புக் கொண்டு அதை வலுப்படுத்துவதற்கு ஒவ்வொரு பகுதியிலும் பெரிய சங்கங்களை ஏற்படுத்தவேண்டும். அவைகளின் மூலமாகவே விவசாயிகளுக்குக் கடன் கொடுக்கவேண்டும் என்றும் அவர்கள் யோசனை சொல்லியிருக்கிறார்கள். ஆகவேதான், இப்பொழுது இருக்கின்ற சட்டத்தை மாற்றியமைக்கவேண்டியது அவசியமாகிவிட்டது.

இவ்வளவு பணத்தைக் கொடுத்தாலுங்கூட காலாகாலத்தில் குறைந்த வட்டிக்குப் பணம் கிடைக்கவேண்டியது அவசியமாய் இருக்கிறது. விவசாயத்தின் பலனை அவன் அனுபவிக்கும் அறுவடை காலத்தில் வாங்கிய கடனைத் திருப்பிக்கொடுக்கவேண்டிய நிலைமை இருப்பதால், பாட்டு உழைத்தும் பிரயோஜனமில்லாமல் பாதிக்கப்படுகிறான். உழைப்பின் பலனை விவசாயி அனுபவிக்கவேண்டுமானால் விவசாயப் பொருளுக்கு நல்ல விலை கிடைக்கவேண்டும். அதற்காகத் தானியங்களைத் தேக்கிவைத்து விற்பனையாக வராமல் கிடைக்கும். விவசாயப் பொருள் அறுவடையாகும் தருவாயில் இருக்கும்போது, அதை எதிர்பார்த்து கடன் கொடுக்கலாம் என்ற முடிவுக்கு வந்திருப்பது மிகவும் பொருத்தமானது. வரவு செலவுத் திட்ட உரையை நிகழ்த்தும்போது நிற அமைச்சரவர்கள் “இனிமேல் மக்களுக்குக் கடன் கொடுப்பதிலே ஓரளவு ‘ரிஸ்க்’ இருந்தாலும் அதை எதிர்பார்த்து கடன் கொடுக்கத்தான் வேண்டும்” என்று சொல்லியிருக்கிறார்கள். அதைப் பாராட்டினேன். அதை அடிப்படையாக வைத்துக்கொண்டு இப்பொழுது விவசாயப் பொருள்களின்மீது அவை பலன் தரும் தருவாயிலே கடன் கொடுக்க முன் வந்திருப்பது மிகவும் பொருத்தம். சரக்கு அறுவடையானபிறகும் அதைச் சற்றுத் தேக்கிவைத்திருந்த பிறகு விற்பனைக்கு அனுப்புவதற்கு கிப்பகு வசதி செய்து கொடுக்க வேண்டிய பண உதவிக்கு ஏற்பாடு செய்வதும் வரவேற்கத் தக்கது. ஆகவே, இந்த இரண்டு அடிப்படையையும் வைத்துக்கொண்டு இந்த மசோதாவானது கொண்டுவரப்பட்டிருப்பது மிகவும் வரவேற்கத்தக்கது என்று சொல்லிக்கொள்ள விரும்புகிறேன்.

இப்பொழுது ரிசர்வ் பாங்கினர் விவசாயத்திற்காக இரண்டரை கோடி ரூபாய் பணம் மாகாண கூட்டுறவு பாங்கு மூலமாகக் கொடுக்கிறார்கள். அதை வாங்கிக்கொண்டு மாகாண சொந்தப் பணத்திலிருந்து முக்கால் கோடியும், மாவட்டத்திலிருக்கும் மத்திய பாங்கு மூலமாக ஒரு குறிப்பிட்ட தொகையும், தங்களுடைய முதலீட்டிலிருந்து சமர் ஒரு கோடி ரூபாயும் சேர்த்து ஆகமொத்தம் ஐந்து கோடி வரைக்கும் இப்பொழுது கொடுக்கப் பட்டு வருகிறதென்றும், மேலும் மேலும் கொடுக்கவேண்டுமானால் அரசியலாரும் பங்கு எடுத்துக்கொண்டு அதற்கு வேண்டிய பணத்தை கூட்டுறவு ஸ்தாபனங்களுக்குத் தக்க காலத்திலே கொடுக்கும் வண்ணம் செய்யவேண்டுமென்றும் கேட்டுக்கொள்கிறேன்.

பெரிய சங்கங்களை ஏற்படுத்தும்போது மக்களுக்கு நல்லதொரு வாய்ப்பைக் கொடுக்கின்ற நிலைமை ஏற்படுவதினால் மக்கள் அதை வரவேற்பார்கள். ஆயினும், இந்த சமயத்திலே ஒன்று சொல்ல விரும்புகிறேன். இம்மாதிரி சங்கங்களை ஏற்படுத்தி விவசாயப் பொருள்களின் மேலே பணம் கொடுத்து, அவைகளைத் தேக்கி வைப்பதற்குக் கிடங்கு வசதி செய்வது ஒருபுறமிருக்க, நிலத்தை அடமானம் வைத்து பட்ட கடனையும் இன்னும் இதுபோன்ற கடன் பளுவையும் சமாளிக்கவேண்டியிருப்பதால், முன்பே ஒப்புக்கொண்டு இருக்கிறபடி கட்டாயம் ஒவ்வொரு தாலுகாவிலும் ஒரு நில அடமான பாங்கு ஏற்படுத்தவேண்டும். அப்படி ஏற்படுத்தினால்

3-30
p.m.

[Sri V. V. Ramaswami] [22nd December 1956]

தான் இம்மாதிரியான பளுவைச் சீக்கிரம் குறைப்பதற்கும், முதலீடு செய்வதற்கும் வசதியாக இருக்கும். இப்படிப்பட்ட நில அடமான பாங்குகளை அரசியலார் எந்தவிதமான சணக்கமும் இல்லாமல் ஏற்படுத்த வேண்டும். அதற்குத் தடங்கலாக இருப்பது அநேக மாவட்டங்களில் நிலம் இன்னும் சரியாக 'சர்வே' செய்யப்படாமலிருப்பதுதான் என்று சொல்கிறார்கள். இராமநாதபுரம் ஜில்லாவிலே பெரும் பகுதி 'லர்வெ' செய்யப்பட்டபிறகும் முடிவான உத்தரவு வராததினால் நில அடமான பாங்கு ஏற்படுத்துவதற்கு இடமில்லாமல் இருக்கிறது. ஆகவே, இதற்காக தனியாக ஒரு சட்டம் ஏற்படுத்தி இம்மாதிரி சர்வேக்களை உடனுக்குடன், அதாவது ஒரு ஆண்டுக்குள்ளேயே முடிப்பதற்கு வேண்டிய நடவடிக்கையும் அரசியலார் எடுக்கவேண்டுமென்று கேட்டுக்கொள்கிறேன்.

இம்மாதிரி புது சங்கங்களை ஏற்படுத்தும்பொழுதும், கூட்டுறவு கிராம பாங்குகளை ஏற்படுத்தும்பொழுதும், அல்லது சிறு சிறு சங்கங்களை இணைத்து பெரிய சங்கங்களாக ஏற்படுத்தும்பொழுதும், அவைகளை நிர்வகிப்பதற்கு அதிகாரவர்க்கம் சிப்பந்திகளை நியமித்தால்தான் பொது மக்களுக்கு நம்பிக்கை ஏற்படுமென்று சொல்லவேண்டிய நிலையிலிருக்கிறேன். பொதுவாக, கூட்டுறவு இயக்கமானது அதிகாரப் பற்றற்ற பொது மக்களுடைய நிர்வாகத்திலேயே இருக்கவேண்டுமென்பது உயர்ந்த லட்சியமாக இருந்தபோதிலும், நமது நாட்டிலுள்ள பலவிதமான நடவடிக்கைகளைப் பார்க்கும்போது பூராவாக பொது மக்களை நிர்வாகத்தில் இருக்கும் பட்சத்தில் நம்பிக்கைக்குறைவான அநேக காரியங்கள் ஏற்படுகிறபடியினால், என்னைப்போன்றவர்கள், அதிகாரிகளைக் கேந்திரமானஸ்தானத்தில் வைத்து நிர்வாகத்தை அவர்களிடம் ஒப்படைக்கவேண்டிய நிலையில்தான் இன்னும் இருக்கின்றோம் என்று கட்டாயம் ஒப்புக்கொள்ள வேண்டியவர்களாக இருக்கிறோம். அதற்காகவும் பண வசதி செய்துகொடுப்பதற்கும் இந்தச் சட்டத்திலே இடம் செய்திருப்பது மிகவும் வரவேற்கத்தக்கது. இம்மாதிரி புதுச் சங்கங்களை ஏற்படுத்தி நிர்வாகஸ்தர்களையும், டைரக்டர்களையும் அந்தந்தப் பகுதியில் இருக்கிற பொது மக்களுக்கு நம்பிக்கை தரக்கூடியவர்களாகப் பார்த்து நியமிக்கவேண்டும். சமுதாய நலத் திட்டங்கள், தேசிய அபிவிருத்தித் திட்டங்கள் ஆகியவை விரிவு அடைந்து வரும்போது அவைகளில் அநேக காரியங்கள், முக்கியமாக கூட்டுறவு இயக்கத்தின்மூலம் நடக்கவேண்டியிருக்கின்றன. ஆகையால், மக்களுடைய கவனமெல்லாம் கூட்டுறவு இயக்கத்தைச் சார்ந்திருக்கிறது. கூட்டுறவு இயக்கத்தில் சிறு குற்றம் காணப்பட்டாலும் அதை ஜனங்கள் மிகைப்படுத்திச் சொல்வதற்குக் காரணம் இதுதான். பொது மக்களுடைய எண்ணம் அந்த முறையில் இருக்கும்போது ஜவ்வொரு பகுதியிலும் இருக்கின்ற பொறுப்புள்ள தலைவர்கள் என்று சொல்லிக் கொள்ளும் அநேகர், தங்களுக்கு இருக்கிற பிரத்தியேகமான மன மாச்சர்யத்திற்கேற்ப, தாங்கள் சார்ந்த இயக்கத்திற்கேற்ப கட்சி பேதங்களை மனதில் வைத்துக்கொண்டு, கூட்டுறவு இயக்கத்திலே தலையிட்டு, சர்ச்சைகளை உண்டாக்க முயல்வது மிகவும் வருந்தத்தக்கது. புதிய சங்கங்கள், புதிய கூட்டுறவு கிராம பாங்குகள் விஷயத்தில் அம்மாதிரி நிலைமை ஏற்படாமலிருக்கும்பொருட்டு, அவைகளுக்கு நிர்வாகஸ்தர்களையும், டைரக்டர்களையும் தேர்ந்தெடுக்கும்போது சரியானவர்களாகப் பார்த்துத் தேர்ந்தெடுக்கவேண்டும். அந்தந்தப் பகுதியில் யார் யாரிடத்தில் பொது மக்களுக்கு நம்பிக்கை இருக்குமோ அவர்களை நிர்வாகஸ்தர்களாகப் போட்டால் எந்த உயரிய நோக்கங்களுக்காக கூட்டுறவு இயக்கம் ஆரம்பிக்கப்பட்டதோ, அந்த நோக்கங்கள் நல்ல முறையில் நிறைவேறுவதற்கு ஏதுவாக இருக்கும். பொது மக்களுக்கு திரிகரணசத்தியோடு உழைக்கும் நபர்களைப் பார்த்து கூட்டுறவு இயக்க அதிகாரிகள் சிபாரிசு செய்யவேண்டும். அவர்களைப் பார்த்துத்தான் நியமிக்கவேண்டும். அதைத் தெரிவித்து வேறு காரணத்தினால் அரசாங்கம் ஈடுபட்டு ஒரு பகுதியினருக்குச் செல்வாக்கு ஏற்படுகிறவண்ணம் இயக்கத்தை நடத்திக்கொண்டு வந்தால் கூட்டுறவு இயக்கமே மிகவும் பரிதாபகமான நிலைக்கு வந்து விடும். ஆகையால் இந்தக் காரியத்திலே சம்பந்தப்பட்ட அதிகாரிகள் நிர்வாகஸ்தர்களையும், டைரக்டர்களையும் தெரிந்தெடுக்கும் வண்ணம்

22nd December 1956] [Sri V. V. Ramaswami]

அவர்களுக்கு முழு அதிகாரத்தையும் நம்பிக்கையையும் அமைச்சரவர்கள் விட்டுக்கொடுக்கவேண்டுமென்று கண்டிப்பாகத் தெரிவித்துக்கொள்கிறேன்.

இந்தச் சந்தர்ப்பத்தில் நமது சமுதாயத்தில் பல துறைகளிலே பல அபிவிருத்தித் திட்டங்களை நிறைவேற்றும் பொறுப்பை ஏற்றுக்கொண்டு பல இலாகாக்களை நிர்வகிக்கும் நமது சபையின் முதல்வர்கனம் திரு. பக்தவத்சலம் அவர்கள் கூட்டுறவு இலாகாவின் பொறுப்பு ஏற்றுக் கொண்டு முதன் முதலாக இந்த மசோதாவைக் கொண்டுவருவது மிகவும் மகிழ்ச்சி தரக்கூடியது என்று சொல்லிக்கொண்டு இந்த மசோதாவை நான் வரவேற்கிறேன். வணக்கம்.

* DR. T. V. SIVANANDAM : Mr. Chairman, Sir, at the outset, as a co-operator of 17 years' standing in Tamil Nad, I want to pay my humble respects and express my gratitude to the hon. Member Mr. Narayanaswamy Pillai and the Committee presided over by him for the voluminous work they have done for co-operation. At one stage, I thought that probably the Report of this Committee also might go to cold storage just like the C. S. R. Mudaliar Committee report on municipal reorganization. But we are glad that the recommendations of this Committee are very good and that they are being implemented. Every one of the recommendations has got to be given effect to even from now on.

Sir, going through the Report of the Committee, we find that the only thing that the Committee has forgotten to note is about the Co-operative House Mortgage Bank. That is the only thing which they have left out. Why that has been left out is not quite clear to me.

Among other things, a definition has been given in their Report to the term " Union "; it is a most important thing and I expected that the Government would bring in a measure accepting that definition of the " Union ". Sir, there are institutions which are called " Unions " but they do not do the supervision work at all. In spite of that, they call themselves Unions, just to get a seat in the Central Co-operative Bank's Board. Therefore, what we want is that the definition should also be taken note of by the Government.

Regarding the small societies, I should say that the reason for the co-operative movement not working well in our country is that there are several small societies formed in each village which consist of only a handful of members, the total number of members being 25 or 30. That is the reason why they work as a small house or family of their own and the benefit of the movement does not go to most of the people outside. The recommendation to amalgamate small societies into one big society is a good one and there must be voluntary effort also so that small societies might join together. We should not wait for that. When we want to spread the co-operative movement, and when we want to see that people in the villages are benefited and profited by it, we must see that each society has at least 100 members. We should even make a

[Dr. T. V. Sivanandam] [22nd December 1956]

provision that the Registrar of Co-operative Societies should not on any account register any society which has got less than 100 members.

3.40 p.m. Regarding the Central Co-operative Bank, at present the borrowing limit is fixed at ten times the share capital. At a time when our activities are expanding, when we are going to give more work to the societies, when we are going to finance many societies and when we are going to open rural banks and agriculturists' relief banks, it is the duty of the Government to come forward and see that the borrowing limit in the case of the Central Bank is raised from ten times to twelve times the share capital in normal times and in extraordinary times to two times more for the sake of financing marketing societies and weavers' societies. When they have come forward to give help to many thousands of villagers, first of all, they must see that the borrowing limit is increased. Unless it is increased, it is not possible to do good work. If the borrowing limit is only ten times the share capital, the Government will say, "You increase your share capital." Over-capitalization is always bad in regard to the normal routine work of any banking institution. Hence, as far as possible, we must try to avoid over-capitalization. Therefore, I request the Government to see that the normal borrowing power is increased from ten times to twelve times the share capital.

Regarding the loans that the Central Banks are expected to give to the weavers, the Reserve Bank gives the money to the State Co-operative Bank which in turn gives it to the Central Bank. The Central Bank is answerable to the State Bank and we in turn are giving it to the weavers' societies. But when there is any loss, the first charge goes to the Government and not to the financing bank. When we are answerable to the State Bank, why not the weavers' societies be answerable to us? If in any case there is a loss, the first charge on the weavers must go to the Central Co-operative Bank. Then, it has been said that the Government of India will bear 50 per cent of the losses, if any, subject to a maximum of 5 per cent of the investment that they have made. That won't do; we want something more. Let the Government of India and the State Government accept 50 per cent each. This is the recommendation that has been made in the Committee's Report also. This is because we do not know what the position of the societies will be. Just when the societies are starting, they are asked to give large amounts of money as loan. Money is given specially for being given to the weavers. Therefore, it has got to be given. But we have to say. "We have got a responsibility. We have received a loan from you. We have the responsibility to repay the loan." When we give loans to others, we must see that the money is repaid to us in the proper way. Only on account of this difficulty, some Central Banks including my Bank hesitate to give larger amounts as loans to weavers' societies. However, some relief has got to be given. But if it is not given, we are earning a bad name. The Government can say to the weavers,

22nd December 1956] [Dr. T. V. Sivanandam]

“ The Central Bank is not giving the money to you. It is not our mistake.” But, at the same time, we have got to see that we are able to repay the loan received from the Government. What is the surety we have got from the weavers’ societies? Have we got the first charge on their assets and properties? No. The Government have got the first charge on them because they are contributing something to them. Hence, I want that the Government should take proper steps to relax certain rules so that with peace of mind we may be able to give loans to weavers’ co-operative societies and render some useful service.

Then, Sir, some societies are not working properly. It is because people in charge of the accounts do not know much about maintenance of accounts. We must insist that people who have undergone the co-operative training and passed tests must be in charge of the societies as supervisors, head clerks and clerks. As it is, most of the people in charge of these societies do not know how to keep accounts at all. It is not possible now to employ trained personnel in every society. Hence, the Government must come forward to give subsidy at least for the first three years since we are going to establish large-sized societies. Even, at the outset, I want to say that the Government should not encourage societies with less than one hundred members. If a society is composed of less than one hundred members, it will be a very uneconomic unit.

Regarding the house mortgage banks, they must be in between the urban banks and the land mortgage banks. If these banks also deal with the provident fund deposits, recurring and other deposits, it will not be possible for the urban bank in the same area to carry on efficiently. I looked into the Report and I did not find any mention about house mortgage banks. The Committee has done tremendous work and made creditable recommendations. I request the Government to go through them carefully and implement them.

Under another section—I forget the number of the section—if any of the marketing society or central stores wants to open accounts with the State Bank of India, the Registrar has got the power to grant the request. Personally, I hate such a thing. In the co-operative field, there are co-operative financing banks. If only these banks are not able to finance the central stores and marketing and loan and sale society, such permission may be given. In my district, two central stores and society have been given such permission. I had a talk with the Registrar about that. First of all, if any of these stores wants to transfer its accounts to the State Bank of India, the Board of Management of the Central Bank must be asked to say whether it has any objection to it or not. But the section cited above gives power to the Registrar of Co-operative Societies to grant this permission even without consulting the Central Bank about it. If such a thing continues, the Central Co-operative Bank will cease to do the duty of financing these co-operative societies. The Central Co-operative Bank has got to finance the marketing societies mostly. The habit of allowing

[Dr. T. V. Sivanandam] [22nd December 1956]

these societies to open accounts with the State Bank of India on some pretext or other must be put an end to. Only if the Board of Management of the Central Bank says that it is not possible for that bank to go on financing an institution, that institution should be allowed to approach any other bank.

3.50 p.m. Regarding reserve funds, every society—credit society or non-credit society—should be made to realise that it must invest its reserves only in the Central Bank. Otherwise, I know there are societies where the reserve fund is used for their own business. I have questioned several of them why they should do it and whether they were permitted to do it. They told me that the necessary permission in this regard had been given to them by the Registrar. We do not know the correct position. We have no information as to whether such permission has been granted by the Registrar. We do not know the correct position. We have no should allow the general reserve fund to be utilised by those people for their business. The whole reserve fund must be in charge of, and deposited in, the Central Bank.

Regarding the training institutions, I think several institutions are coming up. We are going to have some co-operation colleges also. I hope several personnel will come out of these institutions hereafter and man the co-operative institutions very efficiently.

As for the incentive to be given to the co-operators to work efficiently in the field, I may mention that these institutions were manned by non-official agencies all these years. Of late, the Government want to come into this field also. We have absolutely no objection to that. But, let the Government give a chance to these non-officials who have been doing the work so splendidly all these years, especially in Tamil Nad. Here, the co-operative movement under the guidance of non-officials has made rapid progress. When introducing official elements into the movement, care should be taken to see that no official pressure is put on the non-officials. If the non-officials commit mistakes, the Government can very well point out those mistakes to the non-officials and ask them to rectify them. They will be only too glad to do that. Instead of doing that, pressure of the Government should not be brought to bear on the non-officials. I would request the Hon. the Minister in charge of Co-operation to go through the recommendations of the Co-operation Committee and see that they are implemented. He may also see that the non-officials are allowed to play their part usefully as in the past.

DR. A. SREENIVASAN : Sir, I am not a specialist in co-operation. Anyhow, the only interest that I have is that the Government should come forward to put a stop to defalcations which are reported in the Press every now and then. I would like to know what the Government have done to prevent such things in future. Human nature being what it is, some persons fall an easy prey to temptations. The Hon. the Minister in charge of this subject will please take this aspect into consideration.

22nd December 1956] [Dr. A. Sreenivasan]

Another thing that I have read in the newspapers is this. Suppose a particular person is engaged in the movement. All his relatives and members of his family are provided for in some co-operative institution or other. We will have to see that such things do not prevail in future. The Hon. Minister should take special care in preventing the defalcations of public funds.

* THE HON. SRI M. BHAKTAVATSALAM: Mr. Chairman, the hon. Members who have participated in the discussion have very rightly welcomed the provisions of this Bill. I need not point out that the scope of the present measure that has been introduced and that is before the House for consideration is rather limited. We have brought forward this measure as an urgent measure. Of course, the background of it is the Report of the Rural Credit Survey Committee. The immediate background of this idea is the report that has been presented by the Co-operation Committee which was presided over by the hon. Member Sri T. M. Narayanaswamy Pillai. The very valuable recommendations of that Committee are under the active examination and consideration of this Government. The Government have been preparing the provisions for the necessary legislation relating to the various points that have been dealt with by the Committee. The Government do propose to bring forward a comprehensive Bill amending the Co-operative Societies Act which would incorporate most of the recommendations of the Committee. But, this will take some time. Therefore, the Government have brought forward this Bill for a certain specific purpose. The hon. Member who spoke first referred to the need, the urgent need, for facilitating amalgamation of societies with a view to enabling the expansion of rural credit. That is the main object of this Bill. A comprehensive Bill incorporating the provisions and recommendations of the Committee is under preparation. It will take some time and when it is ready, it will be introduced, if not in the present Legislature, at least in the Legislature that will be constituted after the General Elections. So far as this House is concerned, there will be no change. I do hope that that Legislature will consider the comprehensive Bill in a detailed way. I also do hope that there will be a Joint Select Committee which will go into it and several hon. Members, particularly hon. Members who are veteran co-operators, will be able to take part in the discussion at the Select Committee and offer their useful and valuable suggestions with reference to the various provisions that have to be introduced with a view to developing co-operation on healthy and salutary lines.

One hon. Member referred to irregularities and defalcations. It is the anxiety of the Government to root out the source of these irregularities and defalcations. The Government seek the co-operation of the non-officials, who are actively connected with the co-operative movement, in our efforts to root out these irregularities. Hon. Members will have opportunities to consider and formulate measures which would avoid, as far as possible, such irregularities.

[Sri M. Bhaktavatsalam] [22nd December 1956]

Sir, the hon. Member who spoke first referred to the need for effective and independent audit. That is one of the recommendations of the Committee on Co-operation. The Government have already accepted that on principle and have already been taking steps in the direction of implementation of that principle.

I would like to assure the hon. Member Sri Narayanaswamy Pillai, who spoke with vehemence and who stated that the State was abdicating its functions, that there is no question of the State abdicating its functions. Co-operation is primarily the function of the State Government. The Government are fully alive to this responsibility. When the Government bring forward the comprehensive Bill, I would invite the hon. Members to go through it carefully and offer their suggestions.

The hon. Member Dr. Sivanandam spoke about Mortgage Banks and the need for increasing the borrowing limit. All those things could be well considered when we bring forward the comprehensive Bill.

4 p.m. I do not agree with the hon. Member who spoke first that there is no urgency for affording necessary facilities for rural credit. The harvest might have been over in a particular place. But in another place the crops may not be ripe for harvest. The need for rural credit is always there. Only a month ago I saw certain villages in Salem where the rural agricultural banks had just begun functioning. I saw there a number of people coming to the bank, applying for loans and taking loans for urgent purposes in connection with agricultural operations. Therefore, there is no question about the need for affording facilities for rural credit to the agriculturists. I do hope that the House will unanimously accept this Bill and enable it to become an Act.

MR. CHAIRMAN: The question is—

“That the Madras Co-operative Societies (Amendment) Bill, 1956 (L.A. Bill No. 34 of 1956), as passed by the Legislative Assembly, be taken into consideration.”

The motion was put and carried and the Bill was taken into consideration.

Clauses 2 to 5 were put and carried.

Clause 6.

MR. CHAIRMAN: The motion is—

“That clause 6 do stand part of the Bill.”

Sri K. Balasubramanya Ayyar can move the two amendments he has given notice of to this clause.

22nd December 1956]

SRI K. BALASUBRAMANYA AYYAR: Sir, I move the following amendments:—

“ In sub-section (1) of the proposed section 21, *add* the following at the end:—

‘ Except where the landowner is entitled to a first charge for the cost of manure supplied to the cultivating tenant or where he is entitled to recover any loan he has given for the cultivation expenses.’ ”

“ After sub-clause (5), *add* the following as sub-clause (6):—

‘ (6) The Registrar may, in enforcing the charge, recover the amount in instalments on the application of the member or past member or the heir of a deceased member, in that behalf.’ ”

If, before a person becomes a member of a society, the landlord has supplied manure, then according to the Fair Rent Bill which we have passed, he (the landlord) is entitled to the first charge. My submission is that if, before becoming a member of a co-operative bank and obtaining a loan from it for cultivation expenses, the landlord has supplied manure to the tenant and incurred some expenditure, then that money should be made the first charge and it should be paid back to him. But there might have been cases wherein the first charge might have already been credited according to the Fair Rent Act and afterwards, the landlord might have become a member of a Co-operative Bank and borrowed money from it for cultivation expenses. In such a case, unless my amendment is accepted, difficulties may arise as to whether he should also be paid the money he has given for manure, when in point of fact the money he has advanced has already been credited according to the Fair Rent Act. That is why I have moved my first amendment.

I now come to the second amendment. When we discussed the Fair Rent Bill and the Cultivating Tenants Protection Bill, Government were very anxious that much latitude should be given to the debtor to repay the amount in several instalments even though the Civil Procedure Code had given power to the Court to pass such a decree. Still, the Government were anxious to have a specific provision like that in those two Bills, for the purpose of enabling the cultivating tenant to repay the money in instalments. The Committee on Co-operation has also suggested that the repayment may be spread over till the next harvest. That is why I say that the Registrar may, on the application of the member or past member or the heir of a deceased member in that behalf, who has advanced the money, recover the same from the tenant in instalments. That is the purpose of my second amendment.

SRI G. KRISHNAMOORTHY: I second the amendments, Sir.

*SRI A. GAJAPATHY NAYAGAR: மன்றத் தலைவர் அவர்களே, நிலச் சொந்தக்காரர்கள் நிலம் சாகுபடி செய்கிறவர்களுக்குக் கடன் கொடுத்தால் அந்தக் கடனை முதல் ‘சார்ஜ்’-ஆக வசூல் செய்ய

[Sri A. Gajapathy Nayagar]

[22nd December 1956]

வேண்டுமென்று கனம் அங்கத்தினரின் திருத்தம் கோருகிறது என்று நினைக்கிறேன். கனம் அங்கத்தினர் அதை விளக்கமாகச் சொல்ல வேண்டும்.

SRI K. BALASUBRAMANYA AYYAR : இந்தச் சட்டம் வருவதற்கு முன்னால் நில சாகுபடிக்காக ஏற்கெனவே கடன் கொடுத்திருந்தால், அந்தக் கடன் முதலடியாகக் கொடுக்கப்படவேண்டும். இந்தச் சட்டம் வருவதற்கு முன்னால் ஒருவர் கடன் வாங்கியிருந்து; அதற்குப்பிறகு அவர் கூட்டுறவு சங்கத்தில் அங்கத்தினராக சேர்ந்திருந்தாலும் இந்தச் சட்டம் வருவதற்கு முன்னால் வாங்கியிருந்த கடனை முதலில் கொடுத்துவிட வேண்டும். அந்தக் கடனை இந்தச் சட்டம் கட்டுப்படுத்தக்கூடாது என்பது தான் என்னுடைய திருத்தத்தின் நோக்கம்.

இரண்டாவதாக, எருவுக்காக நிலச்சுவான்தார் உழுவர்களுக்கு கடன் கொடுக்கலாம். அப்படிக் கொடுத்தது ஏற்கெனவே கூட்டுறவு சங்கத்தில் மெம்பராக இல்லாதபோது கொடுத்திருந்தால் சட்டப்பிரகாரம் முதல் முதலாக எழுதிக்கொடுத்த பிரகாரம் முதல் வாங்கிய கடனைக் கொடுத்து விடவேண்டும். பிறகுதான் கூட்டுறவு சங்கத்தினுமல்ல வாங்கிய கடனைத் திருப்பிக் கொடுக்கும் விஷயம் எழுகிறது. இந்த இரண்டு விஷயங்களை மாத்திரம்தான் நான் தெரிவித்துக்கொள்கிறேன். ஆனால் என்னோடு கனம் அங்கத்தினர் திரு. கஜபதி நாயகர் சாதாரணமாக ஒப்புக்கொள்வது இல்லை.

*** SRI A. GAJAPATHY NAYAGAR :** இந்தச் சட்டம் வருவதற்கு முன்னாடிக் கொடுத்த கடனைப்பற்றிதான் நானும் சொல்கிறேன். முன்னதாகக் கொடுத்திருந்தால் அந்தக் கடன் உண்மையா என்று அறிவது எப்படி? நிலச் சொந்தக்காரனும் மற்றவர்களும் சேர்ந்து கொள்ளலாம். கடன் கொடுத்தவர் பேசிக்கொள்ளலாம். நான் அனுபவத்தைக்கொண்டு பேசுகிறேன். கடன் கொடுத்ததாக ஒருவர் சொல்கிறார். அந்தக் கடனை முதல் சராஜ் ஆகக் கொடு என்று சொல்லுகிறார். ஆனால் கொடுத்த கடன் உண்மையா என்று அறிவது எப்படி? அதற்குப் பதில் சொல்லவேண்டும். கொடுக்கிறவனும் வாங்குகிறவனும் சேர்ந்து மோசடியாகக் கடன் கொடுத்தான் என்று சொல்லலாம். பிற்பாடு கூட்டுறவு சங்கத்தைப் பாதிக்கும். நான் அனுபவத்தின் பேரில் சொல்கிறேன். அடிக்கடி இவ்விதமாக வருகிறது. முன்னாடிக் கொடுத்தான் என்பதற்கு ஒரு பதிவு மூலமாக கடன் உண்மையா என்று தெளிவாகச் செய்து வைத்தால் கனம் அங்கத்தினர் திருத்தத்தை ஏற்றுக்கொள்ளத் தயாராயிருக்கிறேன். வழி முறை எனக்குத் தெரியாது. கொடுத்த கடன் உண்மை என்று மக்கள் அறிவது எப்படி?

*** DR. A. SREENIVASAN :** டாகுமெண்ட் 'ரிஜிஸ்ட்ரேஷன்' செய்திருந்தால் அதை எப்படிப் பொய் என்று சொல்வது?

*** SRI A. GAJAPATHY NAYAGAR :** ரிஜிஸ்ட்ரேஷன் பண்ணினாலும் பணம் கொடுக்காமல் இருக்கலாம் என்று கனம் அங்கத்தினருக்கே தெரியும். கடன் உண்மையா? உண்மை என்று தெரிந்தால்தான் நாட்டுக்கு நலம். கனம் அங்கத்தினர் வக்கீலாக இருக்கிறார். நான் ஜட்ஜாக இருந்திருக்கிறேன். ஆகையால் நான் சொல்கிறேன். ஒருவர் கொடுத்த கடன் உண்மை என்று நிரூபிக்க வழி செய்தால் அதற்குப் பிறகு கவர்ன்மெண்டார் திருத்தத்தை ஏற்றுக்கொள்வர்.

*** THE HON. SRI M. BHAKTAVATSALAM :** I am sorry I am unable to accept these two amendments.

The first amendment seeks to give preferential claim to the landlord in respect of cost of manure, seed, etc., given to the cultivating tenant. That may give room for the landlord to exploit

22nd December 1956] [Sri M. Bhaktavatsalam]

the tenant. The hon. Member Sri Gajapathy Nayagar, who has been a Judge, with all his experience, is opposed to this amendment. It is possible that as a result of collusion between the landlord and the tenant with a view to deceiving the society, such claims may be put forth. It has been pointed out that extending credit will be to the advantage of the tiller. Therefore, the society should have a prior charge as against the claim of the landowner. The co-operative credit machinery is being reorganized to provide the necessary credit to the cultivating tenants. The agriculturists are now beginning to understand the usefulness of rural credit co-operative societies. If the amendment is accepted, then the societies will hesitate to help these poor cultivators. This will defeat the purpose of the reorganization of the co-operative credit machinery, which is now under consideration. Therefore, I am unable to accept the first amendment.

About the other amendment, I would submit that it is not necessary. This amendment says that the Registrar may, in enforcing the charge, recover the amount in instalments on the application of the member or past member or the heir of a deceased member, in that behalf. I think this is not necessary. After all, in all deserving cases, the societies give reasonable time to the debtors, even without such an application from the creditor, to pay the dues.

SRI K. BALASUBRAMANYA AYYAR: Sir, the Hon. the Leader of the House said that it might lead to collusion. I do not think so. (Interruption.) Fortunately, Mr. Gajapathy Nayagar is not a Judge now and I need not plead with him or even convince him. Now, it is a charge under the Fair Rent Act. There may not arise cases like this now but cases like this would have occurred before the passing of this particular Bill. There may be a case where a person who is not a member of any society may apply to the landlord. Under the Fair Rent Act, it has been stated that the landholder should be encouraged to give such advances to the cultivating tenant. At that time, the Government were anxious—even a suggestion to compel the landholders was made, though it was not accepted—that the landowners should give such advances. It was even suggested that the landowner should be compelled to supply manure, because it was he who would be able to do that. Supposing the cultivator has taken a manure loan from the landowner and afterwards joins a society for doing better farming, what shall this landowner do? There was no such difficulty at the time of giving the loan, for this law was not in force then. Therefore it is that I have given notice of the amendment providing for the due repayment of the loans taken by the cultivating tenant from the landowner. On the application of a cultivator who says that he is unable to repay, payment in instalments should be allowed; if he proves to the satisfaction of the Registrar his inability to repay, why not he be allowed to pay in instalments? There were people who waxed eloquent on behalf of the cultivating tenants at the time the Fair Rent Act was enacted and they were sorry for the difficulties

4-10
p.m.

[Sri K. Balasubramanya Ayyar] [22nd December 1956]

of the cultivators. Such sympathy was expressed at the time the Moratorium Act was passed and later on when many Debt Relief Acts were passed; I heard such arguments then. All that is gone now. I, therefore, plead with the Hon. Minister that he may be a little more sympathetic to the cultivating tenants now—I know he has always been sympathetic and, therefore, has got many legislations enacted—and that this concession may be in favour of the tenants.

* THE HON. SRI M. BHAKTAVATSALAM : Sir, it is my absolute sympathy and anxiety that they should be enabled to have all necessary credit facilities that makes me hesitate to accept the amendment of the hon. Member. It is a well-accepted principle that dues of co-operative societies should have the highest priority over other debts. Still, I do not think that the landlord would have any difficulty in recovering these manure loans. There should be no difficulty at all about it.

MR. CHAIRMAN : I shall now put the amendments of the hon. Member Sri K. Balasubramanya Ayyar to the vote of the House. The question is—

“ In sub-section (1) of the proposed section 21, *add* the following at the end—

‘ Except where the landowner is entitled to a first charge for the cost of manure supplied to the cultivating tenant or where he is entitled to recover any loan he has given for the cultivation expenses.’ ”

“ After sub-clause (5), *add* the following as sub-clause (6) :—

‘ (6) The Registrar may, in enforcing the charge, recover the amount in instalments on the application of the member or past member or the heir of a deceased member, in that behalf.’ ”

The amendments were put and lost.

Clause 6 was put and carried.

Clauses 7 and 8 were put and carried.

Clause 9.

MR. CHAIRMAN : The motion is—

“ That clause 9 do stand part of the Bill.”

SRI K. BALASUBRAMANYA AYYAR : Sir, I move the following amendment :—

“ In the proposed section 53—

‘ (i) *omit* the words “ who acts in contravention of sub-section (2) of section 21.”

(ii) *for* the words “ six months ” *substitute* the words “ one month ”,

22nd December 1956] [Sri K. Balasubramanya Ayyar]

(iii) for the words " five hundred rupees ", *substitute* the words " one hundred rupees. "

The amendment was duly seconded.

SRI K. BALASUBRAMANYA AYYAR: Sir, my hon. Colleague Mr. Narayanaswamy Pillai said that he examined this question of punishment and that he would not agree to the present provisions. Though there have been provisions like this in the different Acts of various States, I do not think that this kind of severe punishment should be provided for. I am not quarrelling with section 21 in so far as it provides for recovery of loans and gives priority to the recovery of such loans. But this provision, namely, " any person who acts in contravention of sub-section (2) of section 21, etc. ", is not quite fair. I would request hon. Members to refer to sub-section (2) of section 21 which reads as follows :—

" No property or interest in property which is subject to a charge in favour of a registered society under sub-section (1) shall be sold or otherwise transferred or converted in any manner without the previous written permission of the society."

Then there is sub-section (4) of the same section, namely :—

" Notwithstanding anything contained in any law, any transaction made in contravention of sub-section (2) shall be void." Therefore, the interests of the society are amply protected. In any event, the society will be able to recover the entire dues. That being the case, why should there be this provision for punishment for default? By saying that any transaction made in contravention of sub-section (2) " shall be void ", there is ample punishment provided for for the defaulter. Therefore, is it necessary to punish the man in addition to making his transaction ' void '? Of course, this might be for the purpose of enforcing the provisions of section 21. So far as this provision for punishment is concerned, even the hon. Member Mr. Narayanaswamy Pillai would hesitate to approve of it. So far as failure to deposit the property is concerned, of course, there should be punishment. But with regard to acting in contravention of sub-section (2) of section 21, that provision is not necessary, as that has already been provided for under sub-section (4), saying that such transaction shall be void.

With regard to punishment for failure to deposit the property under sub-section (3) of section 21, the provision made is six months' imprisonment or a fine of Rs. 500. The punishment should not be so deterrent. After all, the cultivators are poor people and there may be difficulties. Therefore, I think that we should reduce the term of imprisonment and also the amount of fine. I think that imprisonment for a term of one month and a fine of Rs. 100 would be amply sufficient. Of course, there should be provision for punishment, but it need not be so deterrent. Even in the Money-lender's Bill, the provision made for punishment is six months' imprisonment and a fine of Rs. 100. Here, the fine

[Sri K. Balasubramanya Ayyar] [22nd December 1956]

proposed is only Rs. 500 and that is all the difference. But both the cases are not similar. I hope the Hon. Leader of the House will accept my amendments.

* THE HON. SRI M. BHAKTAVATSALAM : Sir, so far as the first amendment of the hon. Member is concerned, I should like to point out that the intention behind the provision is that there should be no tendency on the part of borrowers to violate the provision of sub-section (2); it should be completely checked and prevented. That is the idea behind the provision. When we come forward freely extending credit facilities to the ryots, we are equally anxious that there should be not only no abuse but that there should be no tendency to indulge in abusing, and that is why this provision is there. Therefore, I am unable to accept that amendment.

So far as the other two amendments are concerned, this deterrent provision is made deliberately with a view effectively to check any violation of the provisions of the Act. After all, it is only the Court that imposes the penalty and it is always open to the Court to consider the circumstances of the case and reduce the penalty in individual cases.

4-20
p.m.

SRI K. BALASUBRAMANYA AYYAR : I know very well that there is a deterrent provision. But why should there be a special penalty provided for here? Because the co-operative society is a sacred institution, we began to talk of deterrent provisions. It is wrong to transfer property in order to defeat the provisions of law. Ordinarily, under the law, the transaction is only voidable. If an application is put in, it can be set aside. But that provision has been taken away. The law says that it is void with reference to the co-operative society. This is a privilege given to a co-operative society and not to any other creditor. Therefore, why should we add any further deterrent provision?

MR. CHAIRMAN : The question is—

“ In the proposed section 53—

(i) *omit* the words “ who acts in contravention of sub-section (2) of section 21.”

(ii) *for* the words “ six months ”, *substitute* the words “ one month ”.

(iii) *for* the words “ five hundred rupees ”, *substitute* the words “ one hundred rupees.” ”

The amendment was put and lost.

Clause 9 was put and carried.

Clauses 10 and 11 and the Preamble were put and carried.

* THE HON. SRI M. BHAKTAVATSALAM : Sir, I move—

“ That the Madras Co-operative Societies (Amendment) Bill, 1956 (L.A. Bill No. 34 of 1956), as passed by the Legislative Assembly, be passed.”

22nd December 1956]

MR. CHAIRMAN : The question is—

“ That the Madras Co-operative Societies (Amendment) Bill, 1956 (L.A. Bill No. 34 of 1956), as passed by the Legislative Assembly, be passed.”

The motion was put and carried and the Bill was passed.

(2) THE MADRAS REQUISITIONING AND ACQUISITION OF IMMOVABLE PROPERTY BILL, 1956 (L.A. BILL NO. 35 OF 1956).

* THE HON. SRI M. BHAKTAVATSALAM : Mr. Chairman, Sir, I beg to move—

“ That the Madras Requisitioning and Acquisition of Immovable Property Bill*, 1956 (L.A. Bill No. 35 of 1956), as passed by the Legislative Assembly, be taken into consideration.”

This Bill has to be enacted immediately in order to enable the Government to implement their comprehensive programme of development in the agricultural sector under the Second Five-Year Plan. In most of the Agricultural Research and Development Schemes contemplated under this programme, lands are required for establishing Research Stations, Seed Farms, etc. The outright purchase of lands which are required for a specified period will involve the Government in huge expenditure. On the other hand, it will be advantageous and economical to take the required lands on lease. But a lease has to be negotiated and it is only by agreement that it will be possible for the Government to get lands on lease. It is, therefore, imperative to undertake legislation empowering the Government to take lands compulsorily on lease, the rent being fixed on a reasonable basis. The Bill, which is now before the House, empowers the State Government to requisition for the purpose of the State any immovable property and also to acquire later on such requisitioned property, if necessary.

The principles and methods according to which compensation will be determined and paid for such requisitioning and acquisition have been laid down in clauses 8 and 9. Provision has been made in clauses 10 and 11 for appeals against orders of requisitioning and awards determining compensation.

It is needless for me to say that the provisions of the Bill after it is enacted will be resorted to sparingly and only in those cases where it is absolutely necessary to do so.

MR. CHAIRMAN : Motion moved—

“ That the Madras Requisitioning and Acquisition of Immovable Property Bill, 1956 (L.A. Bill No. 35 of 1956), as passed by the Legislative Assembly, be taken into consideration.”

DR. A. LAKSHMANASWAMI MUDALIYAR : Mr. Chairman, Sir, I have listened very carefully to the introductory remarks of the Hon. Minister in regard to this Bill. But, I must confess

[Dr. A. Lakshmanaswami Mudaliyar] [22nd December 1956]

that the Bill as it is presented has very little to do with the intention that he has enunciated in introducing it. Let me, first of all, state that this Bill is 'to provide for the requisitioning and acquisition of immovable property for the purposes of the State of Madras'. This is a very much wider definition than what the Hon. Minister evidently had in view in introducing this Bill. It does not refer to agricultural farms. It does not, in any way, refer to agricultural lands, not even to the immovable property on agricultural lands. But it gives a *carte blanche* to the Government to requisition and acquire any immovable property for the purposes of the State of Madras and not for the purposes such as have been mentioned by the Hon. the Leader of the House, namely, for agricultural farms and for effective research work. These things are not the objects mentioned in the Bill. I, therefore, feel that the Bill as it is provided here—whereas it is expedient to provide for the requisitioning and acquisition of immovable property for the purposes of the State of Madras—gives a much wider scope to the Government than what was intended in the very simple and attractive manner in which the Hon. the Leader of the House was pleased to introduce this Bill. I think this is a very dangerous Bill for more reasons than one and I feel strongly that, if this Bill is passed, we may as well say that the seeds, not of agricultural farms, but of a totalitarian State have been well and actively sown. There can be no doubt whatsoever that the provision for acquiring any immovable property is one that rightly belongs to totalitarian States and not to democratic countries. I am aware of the Constitutional provision where it is stated that some property may be acquired for certain specific purposes, and also the method of paying compensation is indicated in the Constitution. I do not suggest that the Government have not got the right to acquire property. But this very wide sphere which we are now going to allow the State of Madras to acquire will certainly sound the death-knell of all democratic thinking in regard to property and individual rights.

Let me now go to some of the specific provisions. A 'competent authority' is defined as meaning any person or authority authorized by the Government . . . Who is that person? He may be any individual. He may be any non-official; I hope he is sometimes a non-official. He may be the President of a Panchayat. The whole world over, battles, wars and titanic struggles have been waged only for the purpose of possessing property. That is the fundamental consideration. The crisis in the Middle East was on account of property rights. Anywhere, wherever we find that there is rupture between Nation and Nation, it is due to property rights, and not to anything else. Here is an authority who has been defined as any person who can requisition and acquire immovable property. It seems to me that the least that the Government could have done was to define the term as any person not below the rank of a Member of the Board of Revenue. Because, I want to emphasize this fact that this property is going to be acquired in various places and if we

22nd December 1956] [Dr. A. Lakshmanaswami Mudaliyar]

are going to have local persons to acquire that property with all the prejudices that are now uppermost in the minds of some people, that property will be acquired under conditions where it will be most unreasonable to expect any fairplay. I realize that there is a provision for appeal to the Government. But let me very humbly suggest what is the Government. It is the Party in power. It is the Party that has to protect its own future. It is the Party that has to satisfy a certain number of people who will be supporters of the Government. I am not questioning that view. That is the essence of democracy. We cannot get away from that fact. That is why in all countries there is a provision for a Court of Justice to interpret what is right and what is wrong. Here, my hon. Friend Sri K. Balasubramanya Ayyar has correctly pointed out one fundamental thing and I sometimes feel that the Law Department of the Government of Madras may be well-advised to say that none of the provisions of any Act will empower any Court of Law to interfere with the orders passed under the provisions of that Act. That would have been one common sentence in all the Acts that have been passed within the last ten years of my membership of the Legislative Council.

Let me then go further. Under clause 3 which relates to power to requisition immovable property, within 15 days a person has to show cause why his property should not be requisitioned. An immovable property may be possessed by a person who is not resident in the locality. He might have gone to some other place. If within 15 days he does not apply and make his reasonable proposition, then he has no right over the property. Sir, what is this dreadful hurry to acquire immovable property? Are we in a state of emergency? Are we in a state of warlike preparation? The Second Five-Year Plan has no doubt been before us. But, I am afraid that in many cases all sins of omission and commission are laid at the door of the Second Five-Year Plan. If taxation has to be increased, the Second Five-Year Plan comes in handy. If excise duty is sought to be increased without any reference to the Parliament, the Second Five-Year Plan comes in handy. And, now, Sir, if anything like this is to be done without any proper or due notice, the Second Five-Year Plan may suffer otherwise. Sir, I am one of those who is most anxious that the Second Five-Year Plan should succeed, not because I agree with many of the developments contemplated in that Plan nor with the working of that Plan, but because I think that it is one of those things which will save us in the light of what is happening in the world at large.

Again, it is stated in clause 3 (b) that they 'may, by order, direct that neither the owner of the property nor any other person shall, without permission of the competent authority, dispose of or structurally alter the property or let it out to a tenant until the expiry of such period, not exceeding two months, as may be specified in the order'. Who pays for these two months? If the Government do not come to a conclusion within two months—I do

4-30
p.m.

[Dr. A. Lakshmanaswami Mudaliyar] [22nd December 1956]

not blame the Ministers who have multifarious duties to perform and who have to undertake necessarily extensive tours in the State—who will pay for these two months? Nothing is mentioned in the Bill about this. That is a lacuna that, I feel, must be attended to by the Government.

In the second proviso to sub-clause (2) of clause 3, it is stated—

“ Provided further that where the requisitioned property consists of premises which are being used as a residence by a tenant for not less than two months immediately preceding the date of the service of notice under sub-section (1), the competent authority shall provide such tenant with alternative accommodation which, in its opinion, is suitable.”

Suppose a person is living in a bungalow paying a rent of Rs. 250 and more. He may be told, “ Well, look here. You do not deserve such a huge bungalow. That does not conform to the socialistic pattern of society. So, you better leave the bungalow and come and live in one of the huts that we have provided in the new colony that has been established.” Can anybody say that it is reasonable on the part of the officer empowered under these provisions to say like that? After all, it is not the Government that are going to say that. It is that officer that may say like that. I venture to submit that under the present enactment, the Government have got power to requisition any immovable property. There is absolutely no need to further extend it in the manner in which it is sought to be done unless they want to tighten up the law and extend it to ten years. I will come to the ‘ ten-year period ’ subsequently.

I would now like to refer to another clause, viz., sub-clause (2) of clause 4 which states—

“ If any person refuses or fails to comply with an order made under sub-section (1), the competent authority may take possession of the property and may, for that purpose, use such force as may be necessary.”

Is it going to be a sort of non-violent force or violent force or what is it? I think in these cases, it is much better not to give the authority to meddle to persons who cannot always be expected to use that authority properly. I am not casting any reflection on anyone. I have visited many places here and outside. There is no country except the Middle East countries and Asiatic countries where force is resorted to quite often. It may be justified or it may not be. Whatever it is, unfortunately in our country and in some of these other countries, force is excessively used. Therefore, a certain amount of caution is necessary. The expression used here is ‘ use such force as may be necessary ’. While the intentions of the Government may be good in this regard, I am afraid their under-studies may not realise what those intentions are.

22nd December 1956] [Dr. A. Lakshmanaswami Mudaliyar]

Let me now refer to sub-clause (6) of clause 6 which states—

“Where any property requisitioned under this Act or any material part thereof is wholly destroyed or rendered substantially and permanently unfit for the purpose for which it was requisitioned by reason of fire, earthquake, tempest, flood or violence of any army or of a mob or other irresistible force the requisition shall, at the option of the Government, be void.”

You take my property and if something happens to that property after a month and some damage is caused, what about compensation for me? It is not likely that an army will take the field. The Government compulsorily take the property from me. If some damage was caused during the period in which it was in their possession, I must be paid some compensation. There is no mention about it here. It is not proper and I venture to submit that it is going against the provisions contained in the Constitution. With due deference to those in power, I would very much like them to examine the position. Once a person's property is taken over by means of legislation, he must be paid reasonable compensation if any damage is caused to that property. Even in the case of an earthquake, I am entitled to compensation unless I am myself swallowed in the earthquake. The clause refers to violence of a mob. In these days, mob violence is not at all uncommon. If a mob destroys my property to show its anger against a person, who may happen to be a Government servant and who may be occupying the property at the moment, am I to suffer? Or, am I to be compensated according to the Articles provided in the Constitution itself? Of course, there is a proviso to this sub-clause which states, “Provided that the benefit of this sub-section shall not be available to the Government where the injury to such property is caused by any wrongful act or default of the Government”. I agree that there is this provision. But, it is really too much. It does not cover all the causes that may be contributory to the act of demolition of the property. In all such cases, the owners are perfectly justified in demanding compensation.

Sub-clause (4) of clause 7 states—

“Any decision or determination of the Government under sub-section (3) shall be final and shall not be called in question in any Court.”

As I said before, this is the usual provision. I do not know what my hon. Friend and ex-Judge feels about such a provision. Perhaps he may say that he is not a Judge now.

Sir, there is another provision here in clause 8 (1) (g) which states—

“Nothing in the Arbitration Act, 1940 (Central Act X of 1940), shall apply to arbitrations under this section.”

I should like to ask why that Act should not apply here. After all, arbitration is contemplated here and it is considered necessary.

[Dr. A. Lakshmanaswami Mudaliyar] [22nd December 1956]

Under these circumstances, why should not the Central Act be made applicable here? Why should it not apply here except for the reason that it gives room for courts to interfere which, under the present circumstances, is not considered to be in good taste?

There is one other matter to which I would like to call attention. It may be that I have not perfectly understood the provisions. I refer to sub-clause (3) (a) and (b) of clause 8 which states—

“(3) The compensation payable for the acquisition of any property under section 7 shall be—

(a) the price which the requisitioned property would have fetched in the open market, if it had remained in the same condition as it was at the time of requisitioning and been sold on the date of acquisition, or

(b) twice the price which the requisitioned property would have fetched in the open market if it had been sold on the date of requisition, whichever is less.”

It seems to be an extraordinary thing. Ten years after the requisition of a property if you acquire that property, you should be in a position to say what that property would have fetched at the time of requisitioning. That is the position. If it is an agricultural land, there may be some justification, because the adjacent lands may be taken into consideration. But, in the case of an immovable property, can anybody say what the worth of the property would be? After all is said and done, there is the Act of the Central Legislature—the Capital Gains Act—which comes under Income-tax enactment. Those are the things which we have to understand while dealing with a provision like this in the present Bill. It is thought that after ten years they may be able to assess correctly the value of the property. That is a thing which, in my opinion, will be a little hard on the person who owns the property and may not be altogether justified.

Sir, I do not want to go into the other provisions of the Bill. If it was the object to improve the methods of agriculture and establish research stations for the purpose of getting pure seeds and also holding demonstrations, I am sure that that object could have been achieved and should have been achieved in a more co-operative spirit with those who own the lands. I do not think it is necessary to requisition the property. After all, agricultural operations may be for a year or two years or for even three years, unless they take to planting of trees like the mango tree which may take a long time to yield. (An hon. Member: Also tamarind tree.) After all, a tamarind tree does not need so much protection and it grows wild.

4-40
P.m.

If it is a question of experimentation, there are many ways of doing it. I would like the Agriculture Department to first experiment with the fallow lands that are lying with the Government. In Salem district alone there are as many as 1,000 acres of fallow

22nd December 1956] [Dr. A. Lakshmanaswami Mudaliyar]

land. In the three districts of Salem, North Arcot and South Arcot taken together, there are three hundred thousand acres of fallow land. Let the agriculturist be told how he could improve the fertility of the land. If the Agriculture Department is intent upon improving agriculture, let them first experiment with the fallow lands, that are now being kept idle. Let them make a beginning with fallow lands. Let the experts experiment with fallow lands and say how those lands could be improved upon.

Moreover, there is no indication as to the extent of land which these farms may require. Rules may probably be there to allow these lands to be notified. It is said that the poor agriculturist will not be taxed. The general impression is, "hallelujah, let us not bother, since we are not affected". That is what one thinks. I want to tell this House that I do not own even a cent of land. I am not interested in agriculture. That is not my occupation or side-occupation. But I do not feel that so far as agriculturists are concerned (it may be that they are guided better or they deserve to be controlled better) within the last two or three years, we have passed successive series of legislation which are such that they would certainly give rise to alarm in agriculture. I know of agriculturists who are selling their lands and agriculturists who are readily donating lands to the tune of 100 acres. This is not simply because they have become charitably minded, all of a sudden. It is because they think it is much better to dispose of their lands in that manner than to allow Acts like these to come into operation. I am all for giving my support to every endeavour of the Government in improving agricultural operations. But any scheme of agricultural improvement should be such as to help the people and not to harass the people.

I am not able to understand why this Bill should be in force for ten years. I would rather have the enactment permanent. Could we envisage now what the position will be after ten years? Who can foresee that? Who can foresee whether I or anybody would be here or not after ten years? But I do wish that this Party, which is ruling in this State now, should continue in power for another five years. I am one of those who can honestly and strongly say that I wish this Party to come into power again and be in power for the next five years. I wish the Hon. the Leader of the House to continue either in this House or in the other House. But, with all that, let me say that this "ten years" is a period which we cannot prognosticate with any definiteness. We have got the experience of the Rent Control Act. Every year it is being renewed. But, suddenly, because somebody thought so, the Rent Control Act was renewed for another two years. Therefore, what I say is, 'Let us know what we are trying to do.' I have come to know that an hon. Member remarked that this House was merely a high-class debating society. I am sorry I was not here at that time. I shall not concur in that statement. I am of the definite opinion that this House can express its opinion freely and frankly

[Dr. A. Lakshmanaswami Mudaliyar] [22nd December 1956]

without the incubus of throwing out the Government or putting the Government into power. I have said it and I repeat that statement, viz., that when we criticise, we can criticise strongly no matter whether the Government think it justified or not, only keeping in view that what we say is in the best interests of the people. If only we do that, no matter whether Government accept or reject our amendments, we would have done our duty by the public and it is in that light that I have offered these suggestions and remarks. Let me conclude by saying that I certainly feel very unhappy that a piece of legislation of this nature should have been brought forward before this House.

SRI K. BALASUBRAMANYA AYYAR : Sir, I very respectfully agree with the points made in the speech of my Leader. I do not want to repeat what all he has said. I shall mention only one or two points. In the first place, I should like to state that before bringing forward a Bill of this nature, Government should come to a definite conclusion as to which are the places where they would locate seed farms or model farms. They should also specify what they propose to do in these seed farms. That should be specified in the Statement of Objects and Reasons. In the statement of Objects and Reasons it is stated that the Government are bringing forward this Bill for acquiring lands to establish "seed farms", etc. But "etc." may mean so many things. I take it that it means establishment of Research Stations for improvement of agriculture. The expression "public purpose of the State" is rather vague. We must mention what those purposes are for which this Bill has been brought forward. If they want to acquire lands, there is the Land Acquisition Act for that purpose. Under that Act, lands could be acquired permanently. But they do not want to follow that Act. That means that they do not want permanent acquisition, which in turn means that they do not want to pay compensation for permanent acquisition of lands. They want to adopt an easier method by which they can pay less and it is only for certain purposes. Because they want for some specific purpose, they now want to adopt this method requisitioning property for only a prescribed number of years so that they may pay less. When such is the case, they could have definitely said that this was their objective and that that was why they were bringing in this measure. But they have used the vague term, "for public purposes of the State". That is why I say that it would be better if they put in the specific purpose for which this Bill is introduced, viz., establishment of Research Stations and Seed Farms.

There have been so many Research Stations and Seed Farms. But so far as the ryot is concerned, he has not been benefited much by these Research Stations. When the Government establish a seed farm, they pay no attention to the economics of it at all. There are the officers. There is the Superintendent. Some experiment is conducted. The Superintendent inspects these farms and

22nd December 1956] [Sri K. Balasubramanya Ayyar]

instructs the officers that such and such a thing should be done in this or that way. But how is the ordinary ryot benefited by these experiments? These officers said that ammonium sulphate was the best kind of fertiliser and that that would increase the fertility of the land. I spent Rs. 400 on purchasing ammonium sulphate sold in the research station.

THE HON. SRI M. BHAKTAVATSALAM : I may tell the hon. Member that ammonium sulphate is not sold in Research Stations.

SRI K. BALASUBRAMANYA AYYAR : I know that, Sir. They do not sell all these things in a Research Station. I only asked an Agricultural Demonstrator to come and inspect my lands and then advise me. Be that as it may, these farms are of no use to the ryots. I do not want to say that more harshly for the sake of the Hon. the Leader of the House. These farms have been of no use to the ordinary cultivator. I would suggest that every Minister in charge of Agriculture should have his residence in the middle of cultivated lands and see things for himself. I know that these Research Stations and Seed Farms have not been of any use to the ordinary people. Of course, they may improve hereafter and they may have the intention to improve. I do not dispute that. But, as it is, they have not been useful so far. All the data about the results of research they have collected for the purpose of improvement cannot be utilised and adopted by the ordinary ryots. Unfortunately, they are all beyond their comprehension. That is the fate with regard to the Japanese method of cultivation also. I asked Mr. Perumalswami Reddiar who tried that method and he said that it was not possible for the ordinary ryots to adopt that method. Therefore, he left it out. (The Hon. Sri M. Bhaktavatsalam : He is a cultivator like you.) Like me? Very sorry, I take interest in agriculture. Sir, I repudiate the insinuation made by the Hon. the Leader of the House. I take interest in cultivation. (The Hon. Sri M. Bhaktavatsalam : From Madras?) Yes, from Madras. Why not? When the Hon. Minister looks after the whole State remaining here, why not I? What the Hon. Minister says is a thing which I cannot accept. I am not saying anything against him, but in self-defence I am saying that, Sir. For purposes of income-tax even if the property is situate elsewhere, that is taken into account, because the brain, the centre, is here. For purposes of income-tax I am taken as having brains, but for purposes of agricultural farming I am told I have no brains. (Laughter.) It is not correct to say so and that is the fallacy of the whole of the Fair Rent Act, where it is said that unless one can hold the plough and do work, one is not a cultivator. That is not correct. All people who supervise, who are skilled in agriculture and who can take interest in, spend money on, and know all the processes of, agriculture are cultivators. For that matter, I know the different strains of paddy; I know the various seasons when they would sprout and

4-50
p.m.

[Sri K. Balasubramanya Ayyar] [22nd December 1956]

grow; I know in how many months each strain would yield, some in three months, some in six months and some others in nine months. I know what is 'Thaladi' and so on. To be a cultivator, it is not necessary that one must actually get into the field and bask in the sun. Therefore it is that I say that I take interest in agriculture and that I know about agriculture. Mr. Perumalswami Reddiar also takes interest in agriculture. My hon. Friend Mr. Desikar would agree with me, but he is not here. (The Hon. Sri M. Bhaktavatsalam : But he will tell a different story.) May be, Sir. But I know he had some advantages which we were not fortunate enough to have. What I am stating is that these Research Stations and Farms are very good on paper, but that practically they are useless, and it is for that purpose that the Government are taking such huge powers.

Well, Sir, let the Government prove that what they are doing in these farms are of real benefit to the ryots. Let them do it at one place. Let them work in one Research Station and prove that. Afterwards, it could be adopted in the whole State. Let them then spend any amount of money on Research Stations and Farms. Why should they for that purpose try to impound the lands of cultivators? That is, I am afraid, unnecessary. I shall leave it at that.

I feel a great doubt, Sir, whether this power should be taken by the Government at all. First, they should prove that the scheme is good and that it will be helpful to the people. Afterwards only they should take such powers. Why should they try to rush this Bill through at this particular juncture when they have almost "exhausted their mandate"? I cannot understand this sort of hurry and haste. Sir, there are various other provisions in the Bill to which I will invite the attention of the House—of course, my arguments may not be of much avail—when they are taken up for consideration.

Sir, many of these provisions are very defective. I do not say that the Hon. Minister is responsible for all this. But all of us should put our heads together to set right the defects. It is a laudable object that is in view and it may be for the purpose of securing more paddy that they want to establish more Research Stations and Seed Farms for the purpose of adopting improved methods of agriculture, so that the people at large might benefit by them. But such huge and wide power should not be assumed in this particular fashion. There is no need for hurry. Unfortunately, we are suffering from 'hurry'. All along that has been the chief defect. I am not able to agree with the Government in that respect. In about five or six years we want to cover the tract of centuries. Let us improve slowly and by small degrees and let us avoid haste. By being hasty, in making progress, one may fall and become worse. I do not believe in this hurry. Let us slowly and progressively establish by experience and experiments that seed farms, etc., are of real benefit to the agriculturists.

22nd December 1956] [Sri K. Balasubramanya Ayyar]

One more thing, Sir. I want to draw the attention of the House to requisitioning of agricultural lands. There is no provision in this Bill which states that agricultural land of 10 acres may not be taken or clubbed together. A number of small holdings might be clubbed together and taken. Then, what will be the fate of these small owners? I can understand if it is provided that no land less than 100 acres in extent shall be taken. Of course, in the other House the Hon. Minister gave an assurance that small holdings would not be affected. But the oral assurance of even a Minister will not do. Our friend, the Collector of Tiruchirappalli, may not care for the assurance of the Hon. Minister here. He would simply say, 'There is the provision in the Act; I shall enforce it.' Therefore, this oral assurance—it is good of the Hon. Minister to have given that assurance—is not enough. Therefore, I make bold to come forward with an amendment that nothing in this Act shall apply to owners of agricultural land of less than 100 acres. Small extents of cultivable lands should not be affected by this Bill. There is already the verbal assurance of the Hon. Minister; I am just asking that it be put in the Bill itself. That would be good; it should be made clear in the Bill itself. That is the best method in a democratic State, where we do not take away the rights of people and where the State also takes power. These two things go together in a democratic State. Of course, in non-democratic States, in totalitarian States, the rights of people have no value; people's right is simply trampled upon for the purposes of the State; there the State is the grinding machine with no individual dignity or respect. But in a democratic State, things should be different. Further, we are talking of a socialistic pattern of society. Fortunately, it has been defined as "middling" between what is found in the Russian Republic and what is obtaining in America. So, our socialistic pattern is not a pattern that obtains in Russia or in any totalitarian State, but a blend of what obtains in Russia and America.

Sentiments of people have got to be respected. The law should be so enacted that the powers given therein may not be abused. ^{5 p.m.} There is every possibility of abuse of the powers or provisions by those who administer the law. Therefore, checks have also to be provided. Therefore, I feel that the present Bill should not be passed.

* DR. A. SREENIVASAN : Sir, I oppose this Bill with all the vehemence at my command. It is really draconian in nature. The very Party in power which is introducing this Bill would have done all sorts of things and shaken the world and the country too to the very foundation if the Britisher had done it during his period. On occasions when he did small things and when this Party was in Opposition, it was shaking the foundation of the Government of the day. The hon. the Leader of the Opposition called this Bill 'totalitarian'. It is quite correct in the sense that the Party itself is not democratic in its basis and that it is totalitarian. Two people manage the whole affair of the Party and I am not surprised

[Dr. A. Sreenivasan] [22nd December 1956]

at the high-handed way in which the Bill has been introduced by the Party in power. It is probable that it has got a motive in this Bill. The basic principle on which the Congress Party fights the public is the establishment of a socialistic pattern of society. So far nobody has been able to give the proper definition of that much-abused phrase. But, to an ordinary person like me, it looks as though the idea is to level down people and not level them up, that is, the have-nots are in a majority, the haves are in a minority and, therefore, the idea is to level them down. (Interruption by Sri A. Gajapathy Nayagar). You get a decent pension; I don't.

SRI A. GAJAPATHY NAYAGAR : Pension has been earned for thirty years. You must understand that.

* **DR. A. SREENIVASAN :** The Bill is expropriatory in its outlook. The Government can straightaway say, 'For political and other reasons we deprive the people of their property.' The day is not far off, I suppose, when even our personal safety will be at stake if this Party goes on doing things at this rate. If anybody were to oppose it, he would be imprisoned.

The basic principle on which this Bill has been introduced is very questionable. Therefore, for hon. Members on this side of the House to talk about the merits of the Bill is a real waste of breath. The hon. the Leader of the Opposition took some objection to what I said yesterday, that is, to my calling this House a debating society. I think I am very much justified in saying that. I have no regret for what I submitted because whatever we may say, it will be like water on the duck's back and the Hon. the Leader of the House is not going to yield one inch or one centimeter of ground, however forcible, however logical, and however legal our views may be. This Bill is expropriatory in nature. Of course, the Law Department must have advised the Government to go ahead with the Bill. But the thing is, we will have some *tamasha* very soon after the Bill is passed because it is against the spirit of the Constitution. Nobody shall be deprived of his property without proper and sufficient compensation. Here there is no compensation to be paid. The Government may or may not pay compensation. A compensation of one pie for 100 acres of land is something like the contemptible damages. They may give contemptible damages of one pie for acquiring hundred acres of land. The Hon. the Leader of the House said, 'We are going to do it for certain purposes'. Why not state the purposes at the beginning of the Bill itself? Whatever he says on the floor of the House will not be binding on the Court. Unless he puts what he says in the Bill itself, there is absolutely no safety for a man with property. Of course, I think within our own lifetime we are going to see in the whole country a society without property. It will be something like no man's land and that will be the position of these unfortunate people of this country if the Party were to play in this fashion with the properties of people.

22nd December 1956]

[Dr. A. Sreenivasan]

Who knows this Bill may be a cover to acquire waste lands from partymen and pay disproportionate compensation?

With these words, I oppose this Bill.

* THE HON. SRI M. BHAKTAVATSALAM: Mr. Chairman, Sir, the Hon. the Leader of the Opposition entered a very emphatic protest against the provisions of this Bill and he was followed by two hon. Members. The hon. Member who spoke last was, as usual, very lavish in his inimitable comments. The Bill may be called totalitarian. But, still, I would like to submit that the purpose of the State is a public purpose. The State as such has no individual, personal interest. The Government have brought forward a measure like this with these provisions because of their interest to help the agriculturists to develop agriculture in order primarily that the standard of living of the large number of ryots who form the backbone of this country may be raised substantially. We are on a big programme of stepping up production which is low and the Government have been adopting various measures for this purpose. The Government have been carrying out a multi-purpose programme in order to develop agriculture. Sir, as I have pointed out, the main purpose of this legislation is that the Government should be enabled to implement their programme of agricultural development. I see that there has been some misunderstanding on the part of hon. Members regarding the exact agricultural purposes behind the provisions of this Bill. The Government do not propose to start farming for farming's sake. The hon. the Leader of the Opposition said that there was so much of fallow land in Salem and other places and that we could as well make experiments on it. Experiments like the one that could be carried out on fallow lands like those in Salem and other places could be made. But that is only one part of the programme of agricultural development. Carrying on experiment on a fallow land is one thing. But doing research regarding the state of various grains and seeds and with reference to the improved methods of agriculture is quite a different thing. It is for the latter purpose that Research Stations are maintained. I am very sorry that such a well-informed member as Sri K. Balasubramanya Ayyar should have such poor knowledge of the working of the Research Stations in this State. I had been thinking that he was as good an agriculturist and cultivator as he was a lawyer and legislator. I am surprised to see that he is not such a good cultivator. He is not a well-informed cultivator. I have been going round the districts. I have been meeting hundreds of cultivators, active actual cultivators. They have been giving me their own experiences of adoption of various improved methods of agriculture including the Japanese method to which the hon. Member referred. Ryots having 50, 70 and 100 acres have taken me to their farms. They have produced statistics which, to my surprise, I found, were so well prepared. They used to tell me definitely how they stood to benefit by adopting the Japanese method. In several places people have been taking to this method

[Sri M. Bhaktavatsalam] [22nd December 1956]

5-10
p.m.

and getting very good experience of this method. So, I ventured to point out my own reactions that the hon. Member was not such a good cultivator, when I heard his comment on the Japanese Method of cultivation. In the same way I would like to tell the hon. Member that these Research Stations are quite popular with the ryots. The Farmers' Days are celebrated like festivals. It is not merely that. They are celebrated more than once in a year. I have seen, I have enquired and I have satisfied myself that these agricultural stations are daily frequented by the ryots. They come and enquire about this strain and that strain and they narrate their experience after they try particular strains. A particular strain which has been found in some Research Station in Chingleput district is much in demand in Tirunelveli district. Whether it is paddy, whether it is oil-seed or whether it is sugar-cane, the new strains prepared as a result of research are found to be very popular and they are easily adopted by the ryots and they have been fairly successful also. The Research Stations are being conducted and managed so that they could show no loss. They could show some profit. Most of them show some profit. That is the present position. Otherwise, it cannot be a model farm although we should not mind the necessary expenditure in these matters. I am impressing on the Agriculture Department that they must make a distinction between a model farm where there should be no loss and which should enable the ryots to adopt the methods and a Research Station where they should not mind any expenditure because the results noticed in the latter would be of longstanding benefit and value to the whole agricultural community. So, I should at once like to dispel the notion that these Research Stations serve no purpose. The immediate object behind this measure is the need for organizing seed farms by the Government. Sir, for having improved methods and for developing agriculture with a view to increasing the yield, I mean agricultural yield, two or three things are essential, I should say primarily essential. One is facilities for securing manure, both organic and chemical. The second is to secure pure seeds. It is now very difficult for the ryots to get pure seeds. The Government are not able to cater to the needs of all the ryots. We have been trying with the unstinted co-operation of the ryots to make available in sufficient quantities pure seeds for the ryots. There are complaints that the seeds supplied are not always pure. Therefore, the State Government, with the concurrence of the Planning Commission who were quite enthusiastic about this matter, have formulated a new programme to organize in this State about 400 seed farms of 25 acres each. The Government themselves will conduct these farms. They will produce seeds, of course pure seeds, and cater to the needs of the ryots. It is not as if we have come forward with this measure before we have planned out the whole thing, and before we could find out where there were real difficulties. During the last one year, we have been trying, the Agriculture Department has been trying to secure some land for the purpose of organizing

22nd December 1956] [Sri M. Bhaktavatsalam]

these seed farms. I am glad to say that in more than 75 per cent of the cases, the ryots have been good enough to appreciate the usefulness of these farms and that they have come forward to co-operate with us. By negotiations we have been able to settle and secure the necessary land for the farms. The Government have agreed to pay a very liberal rent for the land that has been taken, viz., Rs. 300 per acre and in some cases even Rs. 500 per acre which would work out to 40 per cent. One could easily realise how we can assess the total income from such lands. Only in a few cases, there has been some unwillingness. The proposal is to have 4, 5 or 6 farms of 25 acres each in each district. In certain districts and areas, the department, in spite of its best efforts, has not been able to secure the necessary land. I myself used my own good offices, whatever they were worth, with particular ryots who owned 200, 300 or 500 acres just to give us 25 acres for the purpose of establishing the seed farms which, after all, would be useful to themselves, to their neighbours, and to the other ryots. It is not for doing any business that these lands are required by the Government. It is only for the purpose of helping the agriculturists in the villages. I used to plead with them explaining all these facts. They would listen to my advice. But after I left, they would tell the officers of the department, 'No, we cannot give you the land'. The poor officers were not able to find the land anywhere. We choose a particular good land, irrigated land and other kinds of lands in order to make our experiments and in order to try the different kinds of seeds in the different kinds of soil. In a very few cases, the Government have not been able to implement the programme. It is in this background that we have come forward with this measure. As I have already said, I could once again assure the House that this provision would be taken advantage of very sparingly and only when it is absolutely necessary.

Sir, one hon. Member pointed out that we should clearly define the purposes for which this acquisition could be made. It is not easy to define it in that way. It is not easy to make a comprehensive definition for the purposes we have on hand. Sometimes, if the definition is not comprehensive enough, if the definition does not cover very good purposes, very necessary purposes, very necessary agricultural purposes, there may be difficulty, and with all the legislation, we will not be able to do a particular act. Therefore, this has been put in a general way.

Regarding certain other things mentioned by the hon. Members, I think they could be looked into when we frame the rules. When we frame the rules, we will bear in mind the various criticisms that have been made on the floor of the House.

About the definition of the term 'competent authority', an hon. Member proposes to move an amendment to substitute the term 'Member of the Board of Revenue' in its stead. Sir, it is not practicable to get always the Member of the Board of Revenue to do this work. It would be a very small thing. After all, we

[Sri M. Bhaktavatsalam] [22nd December 1956]

require about 25 acres of land from people who own a large area. This we require for the seed farms. For some other agricultural purposes, we may require one or two acres. Again, there may be cases of a person owning 50 acres of land and we may require just 5 acres from him. So, it is not right to limit the holding to 100 acres as suggested by one of the hon. Members. If the purpose of the enactment is to be carried out, we must be able to secure the land that would be necessary for the specific purpose in view. It is only a small piece of land that we require. Hon. Members would not object, I think, if the District Collector could attend to that. Therefore, we need not create any difficulty with regard to the definition of the term "competent authority".

5 20
p.m.

Regarding "seed farms", I say there is urgency. If we miss one season, we have to wait for one year. If you are not able to sow the seeds in the correct month, then we will have to wait for one whole year. Therefore, there is urgency for this measure. We are bringing forward this Bill not with a view to hurrying up matters or harassing the ryot. Government are fully alive to the needs of the ryots and they would not unwittingly do anything which would cause harassment of the ryot. Therefore it is that this "15 days' notice" is there.

Regarding "compensation", the hon. Member who spoke last, has spoken from his own imagination. He has not gone through the provisions of the Bill, I believe. Compensation means fair compensation. Compensation would be determined on the basis of the market rate and the Constitution provides for that. According to this Bill, compensation would be calculated on the basis of the market value. Against an "award" there is provision for appeal to the High Court. There is provision for appeal against land acquisition. The motive for bringing in this Bill is this. For starting "seed farms" and "model farms" Government need lands. Government should not spend money from the public exchequer for acquiring those lands. Therefore, in the case of new areas, they want to take the lands on lease and under the present law there is no provision for compulsorily taking those lands on lease. When we take the land on lease, we pay the market rate for every land we buy. When such is the case, how can it be said that we harass the ryot? The ryot is not cultivating himself. There are cases of ryots depending upon the tenants for cultivation. The tenant cultivates the land. The Government would pay whatever they are bound to pay. There should, therefore, be no difficulty in Government buying the land. The Government would not default in their payments. Hence, I do not see any difficulty if the land is acquired by Government for purposes of establishing seed farms.

There was some comment about the 10 years' period that has been put in. Ten years' period is put in there, I admit. But it does not necessarily mean that all these ten years, these provisions would be necessary. They may or may not be necessary.

22nd December 1956] [Sri M. Bhaktavatsalam]

We have got experience in regard to the Rent Control Act. Every one or two years we have been renewing that measure. Under the Second Five-Year Plan, we have got a programme of stepping up food production. The Planning Commission pointed out to me the other day that as compared with the whole of India, the food production in our State was much higher than in other States. But when I got the figure from China, I found that their production was double what we produced in this State. Even to-day they want to increase it still further. Therefore, we will have to carry out these programmes to increase food production in future. Therefore it is that this "10 year" period has been put in.

The co-operative method plays no small part in improving agriculture. Most of the ryots have been co-operating with us. I do hope that the co-operative movement will spread in course of time to all our villages. One hon. Member took exception to the way in which we had referred to the findings of the All-India Rural Credit Survey Committee. He took objection to some of the provisions contained in the Bill. But, I would repeat that those provisions would be used very sparingly. When we frame rules, we will certainly take into account some of the comments that were made in this House and we shall try to make adequate provision for the same.

MR. CHAIRMAN : The question is—

"That the Madras Requisitioning and Acquisition of Immovable Property Bill, 1956 (L.A. Bill No. 35 of 1956), as passed by the Legislative Assembly, be taken into consideration."

The motion was put and carried and the Bill was taken into consideration.

Clause 2.

MR. CHAIRMAN : The motion is—

"That clause 2 do stand part of the Bill."

SRI K. BALASUBRAMANYA AYYAR : Sir, I move the following amendments :—

"In sub-clause (b), for the words 'any person or authority' substitute the words 'a Member of the Board of Revenue'.

"In sub-clause (d), after the word 'means' and before the words 'any person' insert the words 'the landowner or'."

Appeals are made to the Board of Revenue against the orders of District Collectors. Therefore, if a Member of the Board of Revenue is included, then there would not be any necessity for appealing to the Board. I think, therefore, that if my amendment is accepted, it would be better. At least in the rules this may be provided for.

The amendments were duly seconded.

[22nd December 1956]

* THE HON. SRI M. BHAKTAVATSALAM : There is provision for appeal against the orders of the competent authority to the Government. When there is an appeal to the Government, it is the Board of Revenue that goes into the case. Therefore, it is not necessary that the Board itself should be made a party to the passing of the orders. When an appeal is made to the Government and the matter is referred to the Board, the Board will have the opportunity of reviewing the case and making its comments in full.

The amendments were, by leave, withdrawn.

Clause 2 was put and carried.

Clause 3.

MR. CHAIRMAN : The motion is—

“ That clause 3 do stand part of the Bill.”

SRI K. BALASUBRAMANYA AYYAR : Sir, I move the following amendments :—

“ In sub-clause (1), for the word ‘ State ’ substitute the following words :—

‘ establishment of a research station or a seed farm or other improvement for agriculture, specified in the notification by Government.’

In sub-clause (1) (a), for the words ‘ within fifteen days ’ substitute the words ‘ within one month ’.

In sub-clause (2) (a)—

(i) *Omit* the word ‘ bona fide ’;

(ii) *add* the following words at the end :—

‘ or by his agent for his residence ’.

In the proviso to sub-clause (2) (b)—

(i) *omit* the words ‘ in its opinion ’;

(ii) *add* the following words at the end :—

‘ to the tenant ’.

It is better to specify the purpose. They may say it is for the ‘ establishment of a Research Station or a seed farm or other improvement for agriculture ’. The expression “ for any public purpose of the State ” is rather vague.

The amendments were duly seconded.

* THE HON. SRI M. BHAKTAVATSALAM : I am very much obliged for the appreciative manner in which the hon. Member has been moving these amendments. But I may tell him that I shall take his comments into account when we frame the rules. We shall provide for them suitably when we frame the rules.

22nd December 1956]

SRI K. BALASUBRAMANYA AYYAR : Sir, the provision is that the owner should show cause within fifteen days of the date of the service of such notice. This is too short a period. Supposing he is absent from station, what happens? In 15 days what can he do? It is too short a period for him to do anything. Of course, here we are looking into this Bill in one day. But outside, it will not be possible even to consider the thing and decide in 15 days. Therefore, I plead that the time may be increased to one month. 5-30 p.m.

* THE HON. SRI M. BHAKTAVATSALAM : Sir, the time given is 15 days from the date of service of the notice. I do not think that any landholder would be expected to be away for such a long time as 15 days. I would, therefore, still request the hon. Member not to press his amendment.

SRI K. BALASUBRAMANYA AYYAR : Sir, in sub-clause 2 (a), the expression 'bona fide' is unnecessary. I am afraid it is only a drafting mistake; there is no question of substance. When we say a 'residence', it is a residence and the owner resides therein. Then, how does the question of bona fide residence arise? When the officer concerned goes there, somebody will be occupying the place. It is not like bringing in a number of pupils to the schools at the time of inspection. Of course, this is only a drafting mistake.

* THE HON. SRI M. BHAKTAVATSALAM : It may be so, Sir. But 'bona fide' has its own special meaning. The person may own a number of houses and the officer has to decide whether a particular building is a bona fide residence or not. Therefore, the hon. Member need not object to the term 'bona fide'.

SRI K. BALASUBRAMANYA AYYAR : That may be so. But the owner's agent may be residing in that place. Many landholders have got bungalows with adjoining houses wherein their agents live. Or, in one of the buildings of the owner, his agent may be residing; the owner, whenever he comes for inspection of lands, etc., may stay there and even then it becomes his temporary residence. If that is taken away, that may be a hardship to the owner. Therefore it is I say that the words 'by his agent for his residence' may be added.

* THE HON. SRI M. BHAKTAVATSALAM : Sir, if this amendment is accepted, there will be so many ways of circumventing the provision of the Bill. (Sri K. Balasubramanya Ayyar : Your 'bona fide' is there 1) Therefore, the owner may put somebody, in the house and call him his agent. I am unable to accept the amendment, Sir.

SRI K. BALASUBRAMANYA AYYAR : Sir, in the proviso to sub-clause (2) (b), the words 'in its opinion' should be omitted. I feel very strongly about it. 'In its opinion' means, in the opinion of the competent authority and so, the tenants will have

[Sri K. Balasubramanya Ayyar] [22nd December 1956]

no option at all. That is not fair, Sir. When it is a question of alternative accommodation, in deciding whether it is suitable or not, the tenant should also be consulted.

THE HON. SRI M. BHAKTAVATSALAM : If the decision of the competent authority is not acceptable, there can be an appeal.

The amendments were, by leave, withdrawn.

Clause 3 was put and carried.

Clause 4.

MR. CHAIRMAN : The motion is—

“ That clause 4 do stand part of the Bill.”

SRI K. BALASUBRAMANYA AYYAR : Sir, I move the following amendment :—

“ For sub-clause (2), *substitute* the following :—

‘ (2) If any person refuses and fails to comply with an order made under sub-section (1), the competent authority may apply to the Magistrate having jurisdiction in that behalf complaining against the person refusing or failing to comply with the order made under sub-section (1) and the Magistrate shall, on satisfying himself that the person has refused or failed to comply with the order, pass an order giving possession of the property to the competent authority ’.”

SRI G. KRISHNAMOORTHY : I second the amendment, Sir.

SRI K. BALASUBRAMANYA AYYAR : Sir, this is a matter in which I am going to press and not withdraw the amendment. It is a very dangerous thing to say that the competent authority may use such force as is necessary. ‘ Such force as may be necessary ’ is a vague expression, especially where taking possession of property is concerned. In villages, such an action would lead to a riot. Use of force is not provided for in the Civil Procedure Code also. Even the decree-holders have to remove any obstruction only through an order of the Court. Therefore, it is not proper to make a provision like this here. Well, the competent authority may apply to the Magistrate having jurisdiction, complaining against the person who refuses and obtain orders of the Magistrate who could always pass orders. That would be quite reasonable and quite right. Even in respect of the Civil Procedure Code—I hope the ex-Judge would bear me out—where a person is to be arrested and if he is inside a room, one must take permission for going there; further, unless one sees the person inside and if the door is not opened, one cannot break it open. So, to such an extent the law has gone for the purpose of protecting the person to be arrested as a judgment-debtor. Therefore it is that I feel it will

22nd December 1956] [Sri K. Balasubramanya Ayyar]

be most reasonable and it will be consistent with democratic methods for the competent authority to apply to the Magistrate and obtain his orders. Therefore, I press this amendment, Sir.

* THE HON. SRI M. BHAKTAVATSALAM : Sir, this provision about taking possession by force is there to meet very rare and extreme contingencies. Therefore, I am sorry that I am unable to accept the amendment which would mean against delay.

MR. CHAIRMAN : The question is—

“ For sub-clause (2), substitute the following :—

‘ (2) If any person refuses and fails to comply with an order made under sub-section (1), the competent authority may apply to the Magistrate having jurisdiction in that behalf complaining against the person refusing or failing to comply with the order made under sub-section (1) and the Magistrate shall, on satisfying himself that the person has refused or failed to comply with the order, pass an order giving possession of the property to the competent authority.’ ”

The amendment was put and lost.

Clause 4 was put and carried.

Clause 5.

MR. CHAIRMAN : The motion is—

“ That clause 5 do stand part of the Bill.”

SRI K. BALASUBRAMANYA AYYAR : Sir, we are now dealing with the premises that may be requisitioned under section 3. I move the following amendment :—

“ In sub-clause (2)—

(i) omit the words ‘ may be necessary and ’;

(ii) after the words ‘ competent authority may ’ and before the word ‘ cause ’, insert the following words :—

‘ If it is satisfied that the landlord has deliberately failed to execute the repairs.’ ”

SRI G. KRISHNAMOORTHY : Sir, I second the amendment.

SRI K. BALASUBRAMANYA AYYAR : I am afraid, Sir, that there is a drafting mistake here also. If it is repair usually made by the landlord, we need not say ‘ as may be necessary ’; if it is something more, then that will be written by the competent authority. Therefore, these two things do not go well with each other. It is rather awkward. There is a drafting mistake. ‘ Usually made by the landlord ’ would do.

[22nd December 1956]

5-40 P.M. THE HON. SRI M. BHAKTAVATSALAM : We shall place the rules on the table of this House also.

The amendment was, by leave, withdrawn.

Clause 5 was put and carried.

Clause 6.

MR. CHAIRMAN : The motion is—

“ That clause 6 do stand part of the Bill.”

SRI K. BALASUBRAMANYA AYYAR : Sir, I move the following amendments :—

“ In sub-clause (3), *after* the words ‘ in respect of the property ’ and *before* the word ‘ but ’ insert the words ‘ except the liability to pay any arrear of rent ’.

In sub-clause (6), *add* the following at the end :—

‘ and the Government shall restore the land together with the property remaining, if any, to the owner.’ ”

Sir, sub-clause (3) of this clause says that the delivery of possession of the property to the person specified in an order under sub-clause (2) shall be a full discharge of the Government from all liability in respect of the property. Suppose the rent is in arrears. If all liability is discharged, will it be proper in such a case? Arrears of rent should be paid by the Government. The Government themselves may also be in arrears. “ Full discharge ” means that arrears of rent are completely wiped out. That is a mistake. Therefore, I say that all liability except the liability to pay any arrear of rent will be discharged.

Under sub-clause (6), the requisition shall, at the option of the Government, be void. In such a case, they should restore the land together with the property remaining, if any, to the owner. The land at least should not be taken away and it must be given back to the owner with sufficient compensation. It should be made clear, if not in this Bill, at least in the rules.

The amendments were duly seconded.

* THE HON. SRI M. BHAKTAVATSALAM : Sir, about the arrears of rent, there should be no fear that the Government will take advantage of any provision of this law to deny the owner any arrears of rent. Arrears of rent will certainly be paid. If the requisition is to become void, then the land automatically goes to the owner. Anyhow, I shall look into it.

The amendments were, by leave, withdrawn.

Clause 6 was put and carried.

Clause 7 was put and carried.

22nd December 1956]

Clause 8.

MR. CHAIRMAN : The motion is—

“ That clause 8 do stand part of the Bill.”

SRI K. BALASUBRAMANYA AYYAR : Sir, I move the following amendments :—

“ In sub-clause (2) (a), for the word ‘ recurring ’ substitute the word ‘ monthly ’.

In sub-clause (2) (b), after item (iv), add the following as item (v) :—

‘ (v) Any loss due to the reasonable prospective use or gain to which the person interested may have put the property.’ ”

Sir, sub-clause (2) says that the amount of compensation payable for the requisitioning of any property shall include a ‘ recurring payment, in respect of the period of requisition, of a sum equal to the rent which would have been payable for the use and occupation of the property, if it had been taken on lease for that period.’ This recurring payment must be a monthly payment. Suppose two acres of land of a landholder are taken away and they do not pay the monthly rent. Mere recurring payment includes a monthly payment also, I agree. But it may also mean payment of rent for two or three months put together. That is why I say that it should be a monthly payment.

Then, some grain or fruits may be raised on the land requisitioned. If the land is taken away from its owner, he will not get such grain or fruits. Therefore, I have moved the second amendment.

The amendments were duly seconded.

* THE HON. SRI M. BHAKTAVATSALAM : Sir, so far as the rent is concerned, this is with reference to land. If it is with reference to a house, I can understand the need for the amendment moved. Therefore, it is not right to pay monthly rent. Further, recurring payment includes monthly payment also. It may be half-yearly, monthly or seasonal.

As regards the second amendment, I give this assurance to the hon. Member that if any person holds only 5, 10 or 20 acres, the Government will never have recourse to this measure in order to take away all the lands that he possesses.

The amendments were, by leave, withdrawn.

Clause 8 was put and carried.

Clauses 9 to 19 were put and carried.

[22nd December 1956]

Clause 20.

MR. CHAIRMAN : The amendment given notice of by the hon. Member Sri K. Balasubramanya Ayyar to omit this clause is a negative one. Therefore, it is not in order.

Clause 20 was put and carried.

Clauses 21 to 24 were put and carried.

New clause after clause 24.

SRI K. BALASUBRAMANYA AYYAR : Sir, I move the following amendment :—

“ Add the following after clause 24 as new clause 25 :—

‘ 25. Nothing in this Act shall apply to owners of agricultural land of less than 100 acres.’ ”

Sir, I have moved this amendment in the light of the assurance given by the Hon. Minister.

The amendment was duly seconded.

* THE HON. SRI M. BHAKTAVATSALAM : Sir, I shall explain the difficulty in accepting this amendment. Normally, we will have recourse to this measure only in cases of people who own a large holding. If the limit is put at 100 acres, there will be a little difficulty. There may be a ryot who owns five acres. He has been leasing it and he may be prepared to give up the land if the Government offer to pay him some rent. There may be some big landowners. They may be cantankerous. They may refuse to part with even five acres. In such cases, this measure will be resorted to. Therefore, I would request the hon. Member not to press his amendment.

The amendment was, by leave, withdrawn.

Clause 1.

MR. CHAIRMAN : The motion is—

“ That clause 1 do stand part of the Bill.”

SRI K. BALASUBRAMANYA AYYAR : Sir, I move the following amendments :—

“ In sub-clause (2) for the words ‘ ten years ’ substitute the words ‘ two years ’.

After sub-clause (2), add the following as sub-clause (3) :—

‘ (3) The Act shall come into force on a date to be notified by the Government.’ ”

With regard to the first amendment, which seeks to substitute the words “ two years ” for the words “ ten years ”, I am not pressing the same since the Hon. Minister has explained the position.

22nd December 1956] [Sri K. Balasubramanya Ayyar]

With regard to the second amendment, I want to state that in all Bills Government do say that the enactment will come into force from such and such a date to be notified by the Government. The same may be done in this case also unless it be that the Government want to bring this into force immediately. (The Hon. Sri M. Bhaktavatsalam : Yes, immediately.) Then I do not press it, Sir.

The amendments were duly seconded but they were, by leave, withdrawn later.

Clause 1 was put and carried.

The Preamble was put and carried.

* THE HON. SRI M. BHAKTAVATSALAM : Sir, I move—

“That the Madras Requisitioning and Acquisition of Immovable Property Bill, 1956 (L.A. Bill No. 35 of 1956), as passed by the Legislative Assembly, be passed.”

MR. CHAIRMAN : Motion moved—

“That the Madras Requisitioning and Acquisition of Immovable Property Bill, 1956 (L.A. Bill No. 35 of 1956), as passed by the Legislative Assembly, be passed.”

DR. A. LAKSHMANASWAMI MUDALIYAR : Sir, the opposition has not been as vociferous as it might have been. It is largely because the Hon. the Leader of the House has accepted the possibility under the rule-making power at least to implement several suggestions that have been made, in particular, the suggestion with regard to the definition of what is the objective of this Bill and various other matters. I am glad that he has given us this assurance and as it has been stated in the Bill itself that the rules will be placed before both the Houses of the Legislature, although this House has no say evidently on the rules, it may be an opportunity for us to see how far the Act is in conformity with the objective of the Hon. the Leader of the House as put forward. From that point of view, I must thank him.

* THE HON. SRI M. BHAKTAVATSALAM : Sir, I am indeed obliged to the hon. the Leader of the Opposition for this support that he has given although initially he so vehemently objected to the several provisions of this Bill. I assure him and other Members of the House that we shall go into some of these comments when framing the rules which will be presented to this House as soon as they are framed.

MR. CHAIRMAN : The question is—

“That the Madras Requisitioning and Acquisition of Immovable Property Bill, 1956 (L.A. Bill No. 35 of 1956), as passed by the Legislative Assembly, be passed.”

The motion was put and carried and the Bill was passed.

[22nd December 1956]

MR. CHAIRMAN : The House will now adjourn and meet again at 3 p.m. on Monday, the 24th December 1956.

The House then adjourned.

VI.—PAPERS LAID ON THE TABLE OF THE HOUSE.

1. Notification issued with G.O. Ms. No. 4874, Industries, Labour and Co-operation, dated 16th November 1956, amending Rules X-A and XXV-A (2) of the Madras Co-operative Societies Act, 1932, regarding elections to the societies or their committees and procedure therefor. [Laid on the table of the House under section 65 (5) of the Madras Co-operative Societies Act, 1932 (Madras Act VI of 1932.)]

2. Notification issued with G.O. Ms. No. 2454, Revenue, dated the 18th June 1956, regarding amendment to Revenue Department Notification No. 819, dated 12th September 1939, regarding powers of Assessing authority.

22nd December 1956]

APPENDIX I.

[Vide answer to starred question No. 122 asked by Sri T. Purushotham at the meeting of the Legislative Council held on 22nd December 1956, page 217 supra.]

The Government of India have formulated the following two schemes during the First Five-Year Plan period for sanctioning financial assistance :—

(1) Low Income Group Housing Scheme (for persons whose incomes do not exceed Rs. 6,000 per annum).

(2) Subsidized Industrial Housing Scheme (for industrial workers whose incomes do not exceed Rs.350 per annum).

(1) *Low Income Group Housing Scheme.*—This scheme was formulated in November 1954. No allotments were made up to 1954–55. For 1955–56, a sum of Rs. 81 lakhs was allotted in December 1955.

The following are the important conditions for the utilization of the loans :—

The loans will be utilized for the disbursement of loans to persons whose income do not exceed Rs. 6,000 per annum. The disbursement will be related to the actual progress made in the implementation of the scheme. Generally, 20 per cent of the loan could be advanced when the parties concerned are possessed of the land and can undertake construction immediately ; 50 per cent of it when construction reaches the plinth level and the remainder when the construction reaches the roof level. This restriction is not applied to loans sanctioned to local bodies.

The amount allocated for distribution to the following agencies, the actual amount spent by these agencies in the First Plan period, the balance left unspent and lapsed are shown below :—

	Allocation.	Actual expenditure.	Amount lapsed.
	(1)	(2)	(3)
	LAKHS.	LAKHS.	LAKHS.
1 Co-operative Housing Societies for construction of houses.	20	7.21	12.79
2 City Improvement Trust—			
(i) For construction of houses	30	12	18
(ii) For acquisition and development of land	3.24	3.24	Nil.
3 Local bodies—			
To the municipalities—			
(i) For the construction of the houses	12.76	13.41	..
(ii) For acquisition and development of house-sites.	5.00	..	5.00
4 To the Corporation of Madras for house construction.	..	5.00	..
5 Dr. Alagappa Chettiar College and Educational Trust for construction of houses.	10.00	..	10.00

Reasons for lapse.—The allocation could not be availed of in full, because the allocation was made late in the year, i.e., in December 1955 and the loans were sanctioned subsequently after observing the prescribed formalities such as taking agreements from co-operative societies, etc. Only 20 per cent of the loan can be disbursed to co-operative societies initially pending progress in the construction of houses.

[22nd December 1956]

In the case of Dr. Alagappa Chettiar Educational Trust no amount could be disbursed before 31st March 1956, as they did not invest 20 per cent of the cost of the houses as required by the rules and did not also execute the necessary agreement in time.

(2) *Subsidized Industrial Housing Scheme.*—The Government of India formulated the scheme in 1952. Loans and subsidies under the scheme are Sanctioned by the Government of India direct to the industrial concerns.

Applications from the following employers for assistance under the scheme have been sanctioned during the period of the First Five-Year Plan as shown below :—

	Subsidy. RS.	Loans. RS.
1 Dalmia Cement (Bharat), Limited, Dalmiapuram	54,648	81,972
2 Sri Meenakshi Mills, Limited, Madurai	97,200	1,45,800
3 Do.	10,800	23,100
4 The Vasantha Mills, Limited, Singanailur	19,704	29,556
5 Do.	2,78,400	42,240
6 The Janakiram Mills, Limited, Rajapalayam	17,137	25,706
7 The Thiakesar Alai, Manaparai	28,462	42,693
8 Sri Ramakrishna Mission Vidyalaya, Coimbatore	16,200	24,300
9 Sri Balasubramania Mills, Limited, Singanailur	13,560	20,340
10 The Lakshmi Mills Company, Limited, Kovilpatti, Tirunelveli.	1,13,000	1,69,500
11 Lakshmi Mills Company, Limited, Pappanaickenpalayam, Coimbatore.	1,67,835	2,51,752
12 The Salem Magnesite, Limited, Salem	29,787	44,681
13 Manipal Textiles, Manipal, Udipi	15,780	23,670
14 Heavy Chemicals, Limited, Madras	26,220	39,330
15 Pioneer Mills, Limited, Peelamedu, Coimbatore	1,14,220	1,71,330
16 East India Distilleries and Sugar Factories, Nellikuppam ..	21,710	32,565

The sanction orders in respect of items 9 to 12 above have been cancelled by the Government of India, as the companies could not satisfy the conditions of the scheme.

Actual disbursements are related to the progress of construction. Therefore, no information is available as to the exact amount allocated by the Government of India for this scheme in their budget and the actual amounts disbursed by them to the employers as loan and subsidy.

In February 1955, this Government sanctioned a scheme for the construction of 936 tenements in Sembium and Frukkanchari near Madras at a cost of Rs. 24,92,840. The first instalment of the loan, viz., Rs. 4,15,470 was sanctioned by the Government of India and credited to this Government's account on 31st March 1955 and the second instalment of Rs. 5,49,000 was credited to this Government's account on 6th April 1956. There are no special conditions for the utilization of the loan apart from the general conditions of the scheme.

22nd December 1956]

APPENDIX II.

[Vide item V (1) at page 224 supra.]

L.A. BILL No. 34 OF 1956.

(As passed by the Assembly.)

A Bill further to amend the Madras Co-operative Societies Act, 1932.

WHEREAS it is expedient further to amend the Madras Co-operative Societies Act, 1932 (Madras Act VI of 1932), for the purposes hereinafter appearing;

BE it enacted in the Seventh Year of the Republic of India as follows :—

1. *Short title.*—This Act may be called the Madras Co-operative Societies (Amendment) Act, 1956.

2. *Amendment of section 2, Madras Act VI of 1932.*—In the Madras Co-operative Societies Act, 1932 (Madras Act VI of 1932) (hereinafter referred to as the principal Act), in section 2, for clause (g), the following clause shall be substituted, namely :—

“(g) ‘Registrar’ means a person appointed to perform the duties of a Registrar of Co-operative Societies under this Act, and includes a person on whom all or any of the powers of a Registrar under this Act have been conferred under section 3; and”.

3. *Substitution of new section for section 4 in Madras Act VI of 1932.*—For section 4 of the principal Act, the following section shall be substituted, namely :—

“4. *Societies which may be registered.*—(1) Subject to the provisions of this Act, a society which has as its object the promotion of the economic interests of its members in accordance with co-operative principles, or a society established with the object of facilitating the operations of such a society, may be registered under this Act with or without limited liability :

Provided that—

(i) the liability of a society of which a registered society is a member shall be limited; and

(ii) unless the Registrar otherwise directs, the liability of a society of which the primary object is the creation of funds to be lent to its members and of which the majority of the members are agriculturists, shall be unlimited and the members of such a society shall, on its liquidation, be jointly and severally liable for and in respect of all its obligations.

(2) Whether the liability of the members of a registered society is unlimited or limited by shares, the liability of the State Government or of a financing bank, which has taken shares in such registered society, shall be limited to the share capital subscribed by the State Government or such financing bank.”.

[22nd December 1956]

4. *Substitution of new section for section 6 in Madras Act VI of 1932.*—For section 6 of the principal Act, the following section shall be substituted, namely :—

“ 6. *Restrictions on interest of member of society with limited liability and a share capital.*—Where the liability of the members of a society is limited by shares, no member other than a registered society, or the State Government shall—

(a) hold more than such portion of the share capital of the society, subject to a maximum of one-fifth, as may be prescribed; or

(b) have or claim any interest in the shares of the society exceeding, in the case of a society the primary object of which is the creation of funds to be lent to its members, one thousand rupees, and, in the case of any other society, five thousand rupees.”

5. *Amendment of section 13, Madras Act VI of 1932.*—In section 13 of the principal Act, after sub-section (b), the following sub-section shall be added, namely :—

(c) (1) Where in the opinion of the Registrar, the amalgamation of two or more registered societies is necessary or desirable for increasing their strength or usefulness, he may, after consulting in the manner prescribed the financing bank to which the societies are indebted, call upon such societies to amalgamate within such time as may be specified by him into one society in accordance with the procedure specified in sub-section (b).

(2) If the societies fail to amalgamate into one society within the time specified by the Registrar, he may, after giving an opportunity to the committee of each of the societies to state its objections, if any, direct the amalgamation of the societies into one society.

(3) Every registered society so directed shall within one month of the receipt of the Registrar's direction give notice of the direction to all its members and creditors.

(4) (i) Any member of any of the societies so directed may, notwithstanding any by-law to the contrary, by notice given to the society of which he is a member intimate his intention not to become a member of the new society and shall have the option of withdrawing his shares, deposits, or loans, as the case may be, within a period of one month of the service of such notice.

(ii) Any creditor of any of the societies so directed may, notwithstanding any agreement to the contrary, by notice given to the society of which he is a creditor demand a return of the amount due to him, within a period of one month from the service of such notice.

(5) Any member or creditor who does not exercise his option within the period aforesaid shall be deemed to have assented to the amalgamation.

(6) After the repayment of the share capital of the members and the claims of the creditors, if any, under clause (4)

22nd December 1956]

by the societies directed to be amalgamated or after a majority of the members and creditors of such societies have assented to the amalgamation, the Registrar may register the new society. On such registration, the registration of the old societies shall be deemed to have been cancelled. The registration of the new society shall be a sufficient conveyance to vest in it all the assets and liabilities of the original societies.

(7) The directions of the Registrar under clause (2) or any other order passed by him under this sub-section shall be final and shall not be called in question in any civil court.

6. *Substitution of new section for section 21 in Madras Act VI of 1932.*—For section 21 of the principal Act, the following section shall be substituted, namely :—

“ 21. *Prior claim of society.*—(1) Subject to the prior claim, if any, of the Government in respect of land revenue or any money recoverable as land revenue, any debt or outstanding demand due to a registered society from any member or past member or the estate of a deceased member shall be a first charge—

(i) upon the crops or other agricultural produce of such member for the raising of which the loan was taken from the society by such member, and

(ii) upon any cattle, fodder for cattle, agricultural or industrial implements or machinery, or raw materials for manufacture, supplied, or purchased in whole or in part out of the loan of money given by the society, or on any articles manufactured from raw materials so supplied or purchased or on any workshop, godown, or place of business, constructed or purchased out of any such loan.

(2) No property or interest in property which is subject to a charge in favour of a registered society under sub-section (1) shall be sold or otherwise transferred or converted in any manner without the previous written permission of the society.

(3) A member or a past member or the nominee, heir or legal representative of a deceased member of a registered society, shall, if so required by the society, deposit with or entrust to the custody of the society such property as is subject to a charge under sub-section (1) at such place and in such manner as may be prescribed until the debt or outstanding demand due to the society is fully paid and shall also pay towards all expenses incidental to the removal, transport or maintenance of the property so deposited or entrusted to custody. The charges connected with removal, transport or maintenance of such property shall be recovered from the member or the past member or the estate of the deceased member, as the case may be, in accordance with such scale as may be prescribed.

(4) Notwithstanding anything contained in any law, any transaction made in contravention of sub-section (2) shall be void,

[22nd December 1956]

(5) The charge created by sub-section (1) in favour of a registered society shall be available as against any claim of the Government arising from a loan granted under the Land Improvement Loans Act, 1883 (Central Act XIX of 1883) after the grant of the loan by the society.

7. *Amendment of section 25, Madras Act VI of 1932.*—To section 25 of the principal Act, the following proviso shall be added, namely :—

“ Provided that the State Government or a financing bank which has taken shares in a registered society shall not be liable for the debts of such society.”

8. *Amendment of section 34, Madras Act VI of 1932.*—In section 34, sub-section (1), of the principal Act, for clause (c), the following clause shall be substituted, namely :—

“(c) in the shares or securities of any other registered society, provided that no such investment shall be made in the shares of any society with unlimited liability except with the general or special sanction of the Registrar and subject to such limits as may be specified by him from time to time, or ”.

9. *Substitution of new section for section 53 in Madras Act VI of 1932.*—For section 53 of the principal Act, the following section shall be substituted, namely :—

“ 53. *Punishment for disposing of property in contravention of section 21.*—Any person who acts in contravention of sub-section (2) of section 21 or fails to deposit or entrust to custody when required to do so by any society under sub-section (3) of that section shall be punishable with imprisonment for a term which may extend to six months or with fine which may extend to five hundred rupees.”.

10. *Insertion of new section 57-AA in Madras Act VI of 1932.*—After section 57-A of the principal Act, the following section shall be inserted, namely :—

“ 57-AA. *Recovery of debts.*—Notwithstanding anything contained in this Act or in any other law and without prejudice to any other mode of recovery which is being taken or may be taken, the Registrar or any person subordinate to him empowered by the Registrar in this behalf may, subject to such rules as may be prescribed and on application from a registered society for the purpose, recover any debt or outstanding demand due to the society by any member or past or deceased member, by sale of the property or interest in property which is subject to a charge under sub-section (1) of section 21 :

Provided that no sale shall be ordered under this section unless the member or past member or the nominee, heir or legal representative of the deceased member has been served, in the manner prescribed, with a notice of the application to sell and has failed to pay the debt or outstanding demand within seven days from the date of such service.”.

22nd December 1956]

APPENDIX III.

[Vide item V (2) at page 247 supra.]

L.A. BILL No. 35 OF 1956.

(As passed by the Assembly.)

A Bill to provide for the requisitioning and acquisition of immovable property for the purposes of the State of Madras.

WHEREAS it is expedient to provide for the requisitioning and acquisition of immovable property for the purposes of the State of Madras;

BE it enacted in the Seventh Year of the Republic of India as follows :—

1. *Short title and duration.*—(1) This Act may be called the Madras Requisitioning and Acquisition of Immovable Property Act, 1956.

(2) It shall remain in force for a period of ten years from the date of the commencement of this Act.

2. *Definitions.*—In this Act, unless the context otherwise requires,—

(a) “award” means any award of an arbitrator made under section 8;

(b) “competent authority” means any person or authority authorized by the Government, by notification, to perform the functions of the competent authority under this Act for such area as may be specified in the notification;

(c) “Government” means the State Government;

(d) “landlord” means any person who for the time being is receiving, or is entitled to receive, the rent of any property, whether on his own account, or on account or on behalf or for the benefit, of any other person or as a trustee, guardian or receiver for any other person, or who would so receive the rent or be entitled to receive the rent if the property were let to a tenant;

(e) the expression “person interested” in relation to any property, includes all persons claiming, or entitled to claim, an interest in the compensation payable on account of the requisitioning or acquisition of that property under this Act;

(f) “premises” means any building or part of a building and includes—

(i) the garden, grounds and out-houses, if any, appertaining to such building or part of a building;

(ii) any fittings affixed to such building or part of a building for the more beneficial enjoyment thereof;

(g) “property” means immovable property of every kind and includes any rights in or over such property;

[22nd December 1956]

(h) "tenant" means any person by whom or on whose account rent is payable for any property and includes such sub-tenants and other persons as have derived title under the tenant under any law for the time being in force.

3. *Power to requisition immovable property.*—(1) Where the competent authority is of opinion that any property is needed or likely to be needed for any public purpose, being a purpose of the State, and that the property should be requisitioned, the competent authority—

(a) shall call upon the owner or any other person who may be in possession of the property by notice in writing (specifying therein the purpose of the requisition) to show cause, within fifteen days of the date of the service of such notice on him, why the property should not be requisitioned; and

(b) may, by order, direct that neither the owner of the property nor any other person shall, without permission of the competent authority, dispose of, or structurally alter, the property or let it out to a tenant until the expiry of such period, not exceeding two months, as may be specified in the order.

(2) If, after considering the cause, if any, shown by any person interested in the property or in possession thereof, the competent authority is satisfied that it is necessary or expedient so to do, it may, by order in writing, requisition the property and may make such further orders as appear to it to be necessary or expedient in connexion with the requisitioning :

Provided that no property or part thereof—

(a) which is bona fide used by the owner thereof as the residence of himself or his family, or

(b) which is exclusively used either for religious worship by the public or as a school, hospital, public library or an orphanage or for the purpose of accommodation of persons connected with the management of such place of worship or such school, hospital, library or orphanage, shall be requisitioned :

Provided further that where the requisitioned property consists of premises which are being used as a residence by a tenant for not less than two months immediately preceding the date of the service of notice under sub-section (1), the competent authority shall provide such tenant with alternative accommodation which, in its opinion, is suitable.

4. *Power to take possession of requisitioned property.*—(1) Where any property has been requisitioned under section 3, the competent authority may, by notice in writing, order the owner as well as any other person who may be in possession of the property to surrender or deliver possession thereof to the competent authority or any person duly authorized by it in this behalf within thirty days of the service of the notice.

22nd December 1956]

(2) If any person refuses or fails to comply with an order made under sub-section (1), the competent authority may take possession of the property and may, for that purpose, use such force as may be necessary.

5. *Rights over requisitioned property.*—(1) All property requisitioned under section 3, shall be used for such purposes as may be mentioned in the notice of requisition.

(2) Where any premises are requisitioned under section 3, the competent authority may order the landlord to execute such repairs as may be necessary and are usually made by landlords in that locality and as may be specified in the notice, within such reasonable time as may be mentioned therein, and if the landlord fails to execute any repairs in pursuance of such order, the competent authority may cause the repairs specified in the order to be executed at the expense of the landlord and the cost thereof may, without prejudice to any other mode of recovery, be deducted from the compensation payable to the landlord.

6. *Release from requisitioning.*—(1) The Government may, at any time, release from requisition any property requisitioned under this Act and shall, as far as possible, restore the property in as good a condition as it was when possession thereof was taken subject only to the changes caused by reasonable wear and tear and irresistible force :

Provided that where the purposes for which any requisitioned property was being used cease to exist, the Government shall, unless the property is acquired under section 7, release that property, as soon as may be, from requisition.

(2) Where any property is to be released from requisition, the competent authority may, after such inquiry, if any, as it may in any case consider necessary to make or cause to be made, specify by order in writing the person to whom possession of the property shall be given and such possession shall, as far as practicable, be given to the person from whom possession was taken at the time of the requisition or to the successors-in-interest of such person.

(3) The delivery of possession of the property to the person specified in an order under sub-section (2) shall be a full discharge of the Government from all liability in respect of the property, but shall not prejudice any rights in respect of the property, which any other person may be entitled by due process of law to enforce against the person to whom possession of the property is given.

(4) Where any person to whom possession of any requisitioned property is to be given is not found and has no agent or other person empowered to accept delivery on his behalf, the competent authority shall cause a notice declaring that the property is released from requisition to be affixed on some conspicuous part of the property and shall also publish the notice in the *Fort St. George Gazette*.

[22nd December 1956]

(5) When a notice referred to in sub-section (4) is published in the *Fort St. George Gazette*, the property specified in such notice shall cease to be subject to requisition on and from the date of such publication and shall be deemed to have been delivered to the person entitled to possession thereof and the Government shall not be liable for any compensation or other claim in respect of the property for any period after the said date.

(6) Where any property requisitioned under this Act or any material part thereof is wholly destroyed or rendered substantially and permanently unfit for the purpose for which it was requisitioned by reason of fire, earthquake, tempest, flood or violence of any army or of a mob or other irresistible force, the requisition shall, at the option of the Government, be void :

Provided that the benefit of this sub-section shall not be available to the Government where the injury to such property is caused by any wrongful act or default of the Government.

7. *Power to acquire requisitioned property*.—(1) Where any property is subject to requisition, the Government may, if they are of opinion that it is necessary to acquire the property for a public purpose, at any time, acquire such property by publishing in the *Fort St. George Gazette*, a notice to the effect that the Government have decided to acquire the property in pursuance of this section :

Provided that before issuing such notice, the Government shall call upon the owner of, or any other person who, in the opinion of the Government, may be interested in, such property to show cause why the property should not be acquired; and after considering the cause, if any, shown by any person interested in the property and after giving the parties an opportunity of being heard, the Government may pass such orders as they deem fit.

(2) When a notice as aforesaid is published in the *Fort St. George Gazette*, the requisitioned property shall, on and from the beginning of the day on which the notice is so published, vest absolutely in the Government free from all encumbrances, and the period of requisition of such property shall end.

(3) No property shall be acquired under this section except in the following circumstances, namely :—

(a) Where any works have, during the period of requisition, been constructed on, in or over, the property wholly or partially at the expense of the Government and the Government decide that the value of, or the right to use, such works should be secured or preserved for the purposes of Government ; or

(b) where the cost of restoring the property to its condition at the time of its requisition would, in the determination of the Government, be excessive and the owner declines to accept release from requisition of the property without payment of compensation for so restoring the property.

22nd December 1956]

(4) Any decision or determination of the Government under sub-section (3) shall be final and shall not be called in question in any Court.

(5) For the purposes of clause (a) of sub-section (3), "works" includes buildings, structures and improvements of every description.

8. *Principles and method of determining compensation*—(1) Where any property is requisitioned or acquired under this Act, there shall be paid compensation the amount of which shall be determined in the manner and in accordance with the principles hereinafter set out, that is to say,—

(a) where the amount of compensation can be fixed by agreement, it shall be paid in accordance with such agreement;

(b) where no such agreement can be reached, the Government shall appoint as arbitrator a person who is, or has been, or is qualified for appointment as, a Judge of a High Court.

(c) the Government may, in any particular case, nominate a person having expert knowledge as to the nature of the property requisitioned or acquired to assist the arbitrator and where such nomination is made, the person to be compensated may also nominate an assessor for the same purpose;

(d) at the commencement of the proceedings before the arbitrator, the Government and the person to be compensated shall state what in their respective opinion is a fair amount of compensation;

(e) the arbitrator shall, after hearing the dispute, make an award determining the amount of compensation which appears to him to be just and specifying the person or persons to whom such compensation shall be paid; and in making the award, he shall have regard to the circumstances of each case and the provisions of sub-sections (2) and (3), so far as they are applicable;

(f) where there is any dispute as to the person or persons who are entitled to the compensation, the arbitrator shall decide such dispute and if the arbitrator finds that more persons than one are entitled to compensation, he shall apportion the amount thereof amongst such persons;

(g) nothing in the Arbitration Act, 1940 (Central Act X of 1940), shall apply to arbitrations under this section.

(2) The amount of compensation payable for the requisitioning of any property shall consist of—

(a) a recurring payment in respect of the period of requisition, of a sum equal to the rent which would have been payable for the use and occupation of the property, if it had been taken on lease for that period :

Provided that such rent shall, in the case of premises, be the fair rent payable for the premises under the provisions of the Madras Buildings (Lease and Rent Control) Act, 1949

[22nd December 1956]

(Madras Act XXV of 1949) and in the case of cultivable land, be the fair rent for such land payable under the provisions of the Madras Cultivating Tenants (Payment of Fair Rent) Act, 1956 (Madras Act XXIV of 1956); and

(b) such sum or sums, if any, as may be found necessary to compensate the person interested for all or any of the following matters, namely :—

(i) pecuniary loss due to requisitioning;

(ii) expenses on account of vacating the requisitioned premises;

(iii) expenses on account of reoccupying the premises upon release from requisition; and

(iv) damages (other than normal wear and tear) caused to the property during the period of requisition, including the expenses that may have to be incurred for restoring the property to the condition in which it was at the time of requisition.

(3) The compensation payable for the acquisition of any property under section 7 shall be—

(a) the price which the requisitioned property would have fetched in the open market, if it had remained in the same condition as it was at the time of requisitioning and been sold on the date of acquisition, or

(b) twice the price which the requisitioned property would have fetched in the open market if it had been sold on the date of requisition, whichever is less.

9. Payment of compensation.—The amount of compensation payable under an award shall, subject to any rules made under this Act, be paid by the competent authority to the person or persons entitled thereto in such manner and within such time as may be specified in the award.

10. Appeals from orders of requisitioning.—(1) Any person aggrieved by an order of requisition made by the competent authority under sub-section (2) of section 3 may, within twenty-one days from the date of service of the order, prefer an appeal to the Government :

Provided that the Government may entertain the appeal after the expiry of the said period of twenty-one days, if they are satisfied that the appellant was prevented by sufficient cause from filing the appeal in time.

(2) On receipt of an appeal under sub-section (1), the Government may, after calling for a report from the competent authority and giving an opportunity to the parties of being heard and after making such further inquiry, if any, as may be necessary, pass such orders as they think fit and the order of the Government shall be final.

22nd December 1956]

(3) Where an appeal is preferred under sub-section (1), the Government may stay the enforcement of the order of the competent authority for such period and on such conditions as they think fit.

11. *Appeals from awards in respect of compensation.*—Any person aggrieved by an award of the arbitrator made under section 8 may, within thirty days from the date of such award, prefer an appeal to the High Court :

Provided that the High Court may entertain the appeal after the expiry of the said period of thirty days, if it is satisfied that the appellant was prevented by sufficient cause from filing the appeal in time.

12. *Competent authority and arbitrator to have certain powers of civil courts.*—The competent authority and the arbitrator appointed under section 8, while holding an inquiry or, as the case may be, arbitration proceedings under this Act, shall have all the powers of a civil court, while trying a suit, under the Code of Civil Procedure, 1908 (Central Act V of 1908) in respect of the following matters, namely :—

(a) summoning and enforcing the attendance of any person and examining him on oath;

(b) requiring the discovery and production of any document;

(c) reception of evidence on affidavits;

(d) requisitioning any public record from any court or office;

(e) issuing commissions for examination of witnesses.

13. *Power to obtain information.*—The Government or the competent authority may, with a view to carrying out the purposes of section 3, or section 6, or section 7 or section 8, by order require any person to furnish to such officer, as may be specified in the order, such information in his possession as may be specified relating to any property which is requisitioned or acquired or intended to be requisitioned or acquired, under this Act.

14. *Power to enter and inspect.*—The competent authority or any officer empowered in this behalf by such authority by general or special order, may enter and inspect any property for the purposes of determining whether, and if so, in what manner, an order under this Act should be made in relation to such property or with a view to securing compliance with an order made under this Act.

15. *Value of increased efficiency in farming, etc., to be paid to Government on release from requisition.*—(1) Notwithstanding anything contained in section 6, where any agricultural land is released from requisition, the owner and any person interested in such agricultural land or in possession thereof shall be liable to pay to the Government within one month after the date of a demand made in

[22nd December 1956]

writing by the competent authority a sum equal to so much of the value of the agricultural land as is attributable to anything done on such land by the Government for the purpose of enabling the land to be properly farmed, or of securing increased efficiency in the farming of the land :

Provided that the owner or the person interested by whom any sum is so payable may, by notice in writing served on the competent authority within the said one month, elect to pay the said sum, together with interest thereon from the said date at the rate of 6 per cent per annum, by such number of equal annual instalments not exceeding ten, as may be specified in the notice, the first instalment of which shall be paid within one year from the said date.

(2) Any amount payable to the Government under sub-section (1) shall be recoverable as if it were an arrear of land revenue.

(3) Any question whether any amount is payable under sub-section (1) or as to what amount is so payable shall, in default of agreement, be determined by arbitration, and the provisions of sections 8, 11 and 12 shall apply so far as may be, to the determination of such question.

16. *Service of notice and orders.*—(1) Subject to the provisions of this section, and any rules that may be made under this Act, every notice or order issued or made under this Act shall,—

(a) in the case of any notice or order of a general nature or affecting a class of persons; be published in the *Fort St. George Gazette*; and

(b) in the case of any notice or order affecting an individual corporation or firm, be served in the manner provided for the service of summons in rule 2 or Order XXIX of rule 3 of Order XXX, as the case may be, in the First Schedule of the Code of Civil Procedure, 1908 (Central Act V of 1908); and

(c) in the case of any notice or order affecting an individual person (not being a corporation or firm), be served on such person—

(i) by delivering or tendering it to that person; or

(ii) if it cannot be so delivered or tendered, by delivering or tendering it to any officer of such person or any adult male member of the family of such person, or by affixing a copy thereof on the outer door or on some conspicuous part of the premises in which that person is known to have last resided or carried on business or personally worked for gain; or failing service by these means,

(iii) by post.

(2) Where the ownership of the property is in dispute or where the persons interested in the property are not readily traceable and the notice or order cannot be served without undue delay

22nd December 1956]

the notice or order may be served by publishing it in the *Fort St. George Gazette*, and where possible, by affixing a copy thereof on any conspicuous part of the property to which it relates.

17. *Easement not to be disturbed.*—No person interested in any property requisitioned or acquired under this Act shall, without the previous written consent of the competent authority or except for the purposes of effecting repairs or complying with a municipal requirement, wilfully disturb any convenience or easement attached to such property or remove, destroy or render unserviceable anything provided for permanent use therewith or discontinue or cause to be discontinued any supply or service provided for the property.

18. *Delegation of powers.*—The Government may, by notification in the *Fort St. George Gazette*, direct that the powers exercisable by them by or under this Act shall, in such circumstances and under such conditions, if any, as may be specified in the notification, be exercisable also by an officer subordinate to the Government.

19. *Protection of action taken in good faith.*—(1) No suit, prosecution or other legal proceeding shall lie against any person for anything which is in good faith done or intended to be done in pursuance of this Act or any order made thereunder.

(2) No suit or other legal proceeding shall lie against the Government or the competent authority for any damage caused or likely to be caused by anything which is in good faith done or intended to be done in pursuance of this Act or any order made thereunder.

20. *Bar of jurisdiction of civil courts.*—Save as otherwise expressly provided in this Act, no civil court shall have jurisdiction in respect of any matter which the competent authority or arbitrator is empowered by or under this Act to determine, and no injunction shall be granted by any court or other authority in respect of any action taken or to be taken in pursuance of any power conferred by or under this Act.

21. *Penalty for offences.*—Whoever contravenes any provision of this Act, or any rule made thereunder, or any order made or direction given under this Act, or obstructs the lawful exercise of any power conferred by or under this Act, shall be punishable with fine which may extend to one thousand rupees.

22. *Certain persons to be public servants.*—The competent authority, every arbitrator and every officer empowered by the Government or the competent authority, while exercising any power or performing any duty under this Act, shall be deemed to be a public servant within the meaning of section 21 of the Indian Penal Code (Central Act XLV of 1860).

23. *Power to make rules.*—(1) The Government may, by notification in the *Fort St. George Gazette*, make rules for carrying out the purposes of this Act.

[22nd December 1956]

(2) In particular, and without prejudice to the generality of the foregoing power, such rules may provide for all or any of the following matters, namely :—

(a) the procedure to be followed by the competent authority in making inquiries under section 3 or section 6 ;

(b) the procedure to be followed in arbitration proceedings and appeals under this Act ;

(c) the principles to be followed in determining the amount of compensation and method of payment of such compensation ;

(d) the principles to be followed in apportioning the cost of proceedings before the arbitrator and on appeal under this Act ;

(e) the manner of service of notices and orders ;

(f) any other matter which has to be, or may be prescribed.

(3) All rules made and all notifications (other than those relating to notices) issued under this Act shall ; as soon as possible after they are made or issued, be placed on the table of both the Houses of the Legislature and shall be subject to such modifications by way of amendments or repeal as the Legislative Assembly may make within fourteen days on which the House actually sits either in the same session or in more than one session.

24. *Power to remove difficulties.*—If any difficulty arises in giving effect to the provisions of this Act, the Government may, as occasion may require, by order, do anything which appears to them necessary for the purpose of removing the difficulty. A copy of every order passed under this section shall be laid before each House of the Legislature.

MEMORANDUM REGARDING DELEGATED LEGISLATION.

Clause 9 of the Bill empowers the Government to prescribe by rules the manner in which compensation shall be payable under an award by the competent authority to the person or persons entitled thereto and the time within which the payment should be made

Clause 18 empowers the Government to direct by notification that the powers exercisable by them under the legislation shall, in specified circumstances and conditions, be exercisable also by an officer subordinate to the Government.

Clause 23 of the Bill empowers the Government to make rules to carry out the purposes of the legislation. The rules have to be laid before both the Houses of the Legislature and will be subject to such modifications by way of amendments or repeal as the Legislative Assembly may make within fourteen days on which the House actually sits either in the same session or in more than one session.

22nd December 1956]

Clause 24 authorizes the Government to remove by an order any difficulty that may arise in giving effect to the provisions of the Act. A copy of the order should be laid before each House of the Legislature. There are similar provisions in other Acts.

The powers delegated are of a normal character.

FINANCIAL MEMORANDUM.

Clause 8 of the Bill deals with the principles and method of determining compensation in cases where any property is requisitioned or acquired under the proposed legislation and clause 9 of the Bill deals with the payment of compensation in such cases. It is not possible at this stage to estimate the expenditure which may have to be incurred out of the Consolidated Fund of the State for the purpose. No provision has been made in the Budget Estimate of the current financial year for this purpose, but necessary funds will be made available either by re-appropriation or by obtaining a supplementary estimate. Funds in respect of subsequent years will vary from year to year and will be provided in the Budget in the normal way.



